STANDARD

CONTRACT FOR DIFFERENCE (CfD) AGREEMENT (CfDA) FOR

SALE OF ….. MW POWER FROM RE PROJECTS

THROUGH POWER EXCHANGES

ON LONG TERM BASIS

Between

…………….. [Insert Name of RE Power Developer]

And

Solar Energy Corporation of India Limited

…………. [Insert month and year]

This Contract for Difference Agreement is made on the ……. [Insert date] day of ………. [Insert month] of ……. [Insert year] at ………… [Insert place]

Between

………………. [Insert name of the RE Power Developer] (CIN-___________), a Company incorporated under the Companies Act 1956 or Companies Act 2013, having its registered office at ………… [Insert address of the registered office of RE Power Developer] (hereinafter referred to as "**RE Power Developer"** or **"RPD**", which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns) as a Party of the **First Part**;

And

Solar Energy Corporation of India Limited (CIN-______________), a Company incorporated under the Companies Act 2013, having its registered office at …… [Insert address of registered office of SECI] (hereinafter referred to as **"SECI"** which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assignees) as a Party of the **Second Part**;

The RPD and SECI are individually referred to as 'Party' and collectively referred to as 'Parties'.

WHEREAS:

A. The Government of India has announced the Policy for promotion of the renewable energy-based project installation in the country and has set an ambitious target to achieve 500 GW of non-fossil-based installed energy capacity by the year 2030.
B. The Ministry of New and Renewable Energy, Government of India has issued the Guidelines for Implementation of Contract for Difference (CfD) for 500 MW Renewable Energy Capacity, vide OM dated 30.03.2026, including subsequent amendments and clarifications thereof, if any, issued until ____ [Enter the last date of bid submission of the RfS];
C. SECI has been designated as the nodal agency for implementing the Contract for Difference (CfD) mechanism, including operation of the CfD Stabilization Fund/ Pool to be established in terms of the above Guidelines of the Government of India.

D. SECI had initiated a Tariff Based Competitive Bid Process for assured Peak Supply of 1000 MWh (500 MW x 2 Hrs.) from ISTS-Connected RE Projects under CfD mechanism on the terms and conditions contained in the Request for Selection (herein after referred to as **'RfS'**) issued by SECI vide RfS No…………… dated……………. including its subsequent amendments and clarifications, if any.

E. ……………. [Insert name of the Bidding Company] has been selected in the Competitive Bidding Process, {in case Bidding Company is executing the Project through SPV} has constituted a Special Purpose Vehicle, ………….. [Insert the name of SPV, if applicable] (hereinafter referred to as **'RPD')** for development, generation and supply of electricity through Power Exchanges from the ……………MW RE Power Project to be established by RPD anywhere in India.

F. SECI has issued the Letter of Award No……………. dated…………in favour of the ………………[Insert the name of Bidding Company] for development and establishment of the ……………MW RE Power Project in the State of ……………. for supply of electricity through Power Exchanges as per the terms and conditions contained in the RfS, and draft of this Contract for Difference Agreement, including amendments and clarifications thereto circulated at the time of the bidding and other bidding documents as well as the conditions contained in the aforementioned Letter of Award.

G. In terms of the RfS and the Bidding Documents, the RPD has furnished the Performance Bank Guarantee/ Insurance Surety Bond (as applicable) for the sum of Rs………. in favour of SECI as per the format provided in the RfS (Format-7.3C/ 7.3D, respectively).

H. The RPD has fulfilled the terms of the bidding and the terms of the Letter of Award for signing this CfDA as a definitive agreement for establishing the RE Power Project of…………….. MW at …………., [Insert Project location] for assured supply by the RPD on/through Power Exchanges.

I. The Parties have agreed to execute this CfD Agreement in terms of the provisions of the RfS, the bidding documents and the Letter of Award in regard to the terms and conditions for establishment of the RE Power Project at ……, [Insert name of state] and for generation and supply of electricity by the RPD on/through Power Exchanges.

Now therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the Parties as follows:

ARTICLE 1: DEFINITIONS AND INTERPRETATION

1.1 *Definitions*

The terms used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them by the Electricity Act, 2003 and the rules or regulations framed there under, including those issued / framed by the Appropriate Commission (as defined hereunder), as amended or re-enacted from time to time.

"Act" or "Electricity Act, 2003"	shall mean the Electricity Act, 2003 and include any modifications, amendments and substitution from time to time;
"Affiliate"	shall have the same meaning as contained in the RfS document;
"Agreement" or "Contract for Difference Agreement" or "CfDA"	shall mean this Contract for Difference Agreement including its recitals and Schedules, Appendixes amended or modified from time to time in accordance with the terms hereof;
"Appropriate Commission"	Unless otherwise stated or the context requires, Appropriate Commission shall mean Central Electricity Regulatory Commission;
"Automated audit trail"	shall have the same meaning as contained in the Central Electricity Regulatory Commission (Power Market) Regulations, 2021;
"Awarded capacity"	shall mean …………. MW [enter the capacity as awarded by SECI as per the LoA]
"Bid"	shall have the same meaning as contained in the Central Electricity Regulatory Commission (Power Market) Regulations, 2021;
"Bill Dispute Notice"	shall mean the notice issued by a Party raising a Dispute regarding a Monthly Bill or a Supplementary Bill issued by the other Party;
"Business Day"	shall mean with respect to RPD and SECI, a day other than Saturday, Sunday, or a statutory holiday, on which the banks remain open for business in Delhi and [Insert name of State where RPD Registered Office is located] both;
"CERC"	shall mean the Central Electricity Regulatory Commission of India, constituted under sub – section (1) of Section 76 of the Electricity Act, 2003, or its successors;
"CfD Pool" or "CfD Stabilization Fund"	shall mean a dedicated fund set up by the Government of India and being managed by SECI, for supporting the CfD settlements under the CfDA. An amount of INR 76 Crores has been allocated to this fund by the Government as on the date of issuance of the RfS;
"Collective Transactions"	means a set of transactions executed in the Power Exchange(s) and whose price is discovered through anonymous and simultaneous competitive bidding by buyers and sellers;

"CTU" or "Central Transmission Utility"	shall mean the Government Company notified by the Central Government under Sub-Section (1) of Section 38 of the Electricity Act, 2003.
"Change in Law"	shall have the meaning ascribed thereto in Article 12 of this Agreement;
"Commissioning"	The Project shall be commissioned in line with the provisions of the Grid Code.
"Commercial Operation Date (COD)"	shall be the date of onset of commercial sale of power from the Project through the Power Exchanges under this CfDA;
"Competent Court of Law"	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
"Consents, Clearances and Permits"	shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided by any concerned authority for the purpose of setting up of the generation facilities and/ or supply of power on/through Power Exchanges;
"Consultation Period"	shall mean the period of ninety (90) days or such other longer period as the Parties may agree, commencing from the date of issuance of a RPD Preliminary Default Notice or SECI Preliminary Default Notice as provided in Article 13 of this Agreement, for consultation between the Parties to mitigate the consequence of the relevant event having regard to all the circumstances;
"Contract Week"	shall, with respect to each part-commissioned capacity achieving UCOD and/or the Project achieving COD (as applicable), mean: (i) the period commencing from the immediate Monday occurring after the relevant UCOD/COD and ending on the immediately succeeding Sunday; provided that where such UCOD/COD occurs on a Monday, the Contract Week for such part-commissioned capacity or Project, as applicable, shall commence from such UCOD/COD itself; and (ii) thereafter, each successive calendar week commencing on Monday and ending on Sunday for the relevant part-commissioned capacity or Project;
"Contract Month"	shall mean the period beginning from the (i) UCOD/ COD, whichever is earlier, and ending with the last day of that calendar month (in which UCOD/ COD is falling), and thereafter each calendar month, and (ii) provided further that the last Contract Month of this Agreement shall end on the last day of the Term of this Agreement;
"Contract Year"	shall mean the period beginning from the

	(i) SCD and ending on the immediately succeeding 31st March, and thereafter each period of 12 (Twelve) Months commencing on 1st April and ending on 31st March, and (ii) provided further that the last Contract Year of this Agreement shall end on the last day of the Term of this Agreement;
"Contracted Capacity"	shall mean …… [Insert capacity] MW, which is the AC capacity contracted with SECI for assured Peak supply through Power Exchanges by the RPD from the RE Power Project;
"Day"	shall mean a calendar day, if not a Business Day at SECI, the immediately succeeding Business Day;
"Day Ahead Contract"	shall mean a contract wherein Collective Transactions occur on day (T) and delivery of electricity is on the next day (T+1);
"Day Ahead Market" or "DAM"	shall mean a market where Day Ahead Contracts are transacted on the Power Exchange(s);
"Delivery Point" or "Interconnection Point"	shall mean a single point at the voltage level of 220 kV or above of the ISTS Sub-station including the transmission line connecting the RE Power Project with the substation system as specified in the RfS document. Metering shall be done at this interconnection point where the power is injected into. For interconnection with grid and metering, the RPD shall abide by the relevant and applicable regulations, Grid Code notified by the CERC/ SERC and Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as amended and revised from time to time, or orders passed thereunder by the appropriate commission or CEA. Pursuant to Article 4.2.6, all charges and losses related to Transmission of power from project up to and including at the Delivery Point (including but not limited to open access, transmission, wheeling, Unscheduled Interchange, scheduling, reactive power, RLDC/SLDC charges etc.) as notified by the competent authority / regulator shall be borne by the RPD. For this Project, the Delivery Point shall be ____[Insert name of the S/s of the Delivery Point] S/s at ___ [Insert name of State].
"Dispute"	shall mean any dispute or difference of any kind between SECI and the RPD, in connection with or arising out of this Agreement including but not limited to any issue on the interpretation and scope of the terms of this Agreement as provided in Article 16 of this Agreement. In case the RPD has tied up for the ESS component through a third-party, it is clarified and confirmed by the Parties that in all such disputes, RPD shall have the absolute authority to represent such third party in so far as SECI is concerned and SECI will not be required to or otherwise will have to deal with such third party, notwithstanding, any difference or dispute between the RPD and/or the such third party.

"Due Date"	For the purpose of payment to be made by SECI to the RPD, the Due Date shall mean the 15th day after a Monthly Bill (including all the relevant documents) or a Supplementary Bill is received in hard copy and duly acknowledged by the SECI or, if such day is not a Business Day, the immediately succeeding Business Day, by which date such Monthly Bill or a Supplementary Bill is payable by the SECI. For the purpose of payment to be made by the RPD to SECI, the Due Date shall mean the 15th day after a Monthly Bill (including all the relevant documents) or a Supplementary Bill is sent through e-mail by SECI to the RPD.
"Effective Date"	shall have the meaning ascribed thereto in Article 2.1 of this Agreement;
"Electricity Laws"	shall mean the Electricity Act, 2003 and the rules and regulations made there under from time to time along with amendments thereto and replacements thereof and any other Law pertaining to electricity including regulations framed by the Appropriate Commission;
"Energy Accounts"	shall mean the regional energy accounts/state energy accounts as specified in the Grid Code issued by the appropriate agency for each Month (as per their prescribed methodology), including the revisions and amendments thereof or where such regional energy accounts/ state energy accounts are not issued, Joint Meter Reading (JMR) will be considered; SECI reserves the right to choose from any of the above, i.e. JMR/SEA/REA;
"Energy Storage Systems" or "ESS"	shall mean the system(s) installed in addition to the RE power capacity as part of the Project (if applicable), that can capture energy produced at one time for use at a later time;
"Event of Default"	shall mean the events as defined in Article 13 of this Agreement;
"Expiry Date"	shall mean the date occurring as on twelve (12) years from the Scheduled Commissioning Date (SCD);
"Force Majeure" or "Force Majeure Event"	shall have the meaning ascribed thereto in Article 11 of this Agreement;
"GNA Regulations"	shall mean the Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 notified on 07.06.2022, including subsequent amendments and clarifications issued thereof. Any reference to the terms "connectivity" or "network access" or "general network access" or "non-solar hour access" or "non-solar hours" in this Agreement shall be interpreted in terms of the provisions of these Regulations.
"Guidelines" or "Scheme"	shall mean "Guidelines for Implementation of Contract for Difference (CfD) for 500 MW Renewable Energy Capacity" issued

	by the Ministry of New and Renewable Energy vide Office Memorandum dated 30.03.2026 including subsequent amendments and clarifications thereto, if any, issued until the last date of bid submission of the referred RfS;
“Grid”	shall mean as per the definition contained in the Act.
“Grid Code” or “Indian Electricity Grid Code” or “IEGC” or “State Grid Code”	shall mean the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as specified by the CERC under Clause (h) of Sub-section (1) of Section 79 of the Electricity Act, as amended from time to time, and/or the State Grid Code as specified by the concerned State Commission, referred under Clause (h) of Sub- section (1) of Section 86 of the Electricity Act 2003, as applicable.;
“Green Day Ahead Market” or “GDAM”	means a market where Day Ahead Contracts for sale and purchase of electricity generated from Renewable Energy sources are transacted on the Power Exchange(s).
“Hight-Price Day Ahead Market” or “HP-DAM”	shall mean the market created under the Order dated 24.07.2023 issued by the CERC in the matter of Petition No. 122/MP/2023.
“Indian Governmental Instrumentality”	shall mean the Government of India, Governments of State(s)……….. [Insert the name(s) of the State(s) in India, where the Power Project, SECI and RPD are located] and any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or the above state Government(s) or both, any political sub-division of any of them; including any court or Appropriate Commission(s) or tribunal or judicial or quasi-judicial body in India;
“Installed Capacity” or “Project Capacity”	shall mean the rated AC capacity of the Project components as committed to be installed by the RPD, in line with Article 3.1 of this Agreement. The above configuration shall be identical to the “installed capacity” for which connectivity has been granted to the RPD under the GNA Regulations. The Installed Capacity quantum of RE generating components (in MW) including that of the revised Installed Capacity of RE generating components can be less than, equal to, or greater than the Contracted Capacity. In any case, additional connectivity for RE generating component or ESS component (if applicable), above the Contracted Capacity, will not be provided. It is hereby clarified that the sum of rated capacities of individual project components (RE generating component and ESS (if applicable)) may be greater than the Contracted Capacity but the capacity eligible for CfD with SECI under this Agreement will be limited to Contracted Capacity.
“Insurances”	shall mean the insurance cover to be obtained and maintained by the RPD in accordance with Article 8 of this Agreement;

"Insurance Surety Bond" or "Surety Bond"	shall mean the irrevocable surety bond from an Insurer as per the guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI), as an alternative to submission of Performance Bank Guarantee by the RPD to SECI, issued in the form attached as Format-7.3D of the RfS;
"Interconnection Facilities"	shall mean the facilities on RPD's side of the Delivery Point for scheduling, transmitting and metering the electrical output in accordance with this Agreement and which shall include, without limitation, all other transmission lines and associated equipment, transformers, relay and switching equipment and protective devices, safety equipment and RTU, Data Transfer and Acquisition facilities for transmitting data subject to Article 7, the Metering System required for supply of power as per the terms of this Agreement;
"SECI"	shall mean Solar Energy Corporation of India Limited (SECI);
"Invoice" or "Bill"	shall mean either a Monthly Bill / Supplementary Bill or a Monthly Invoice/ Supplementary Invoice raised by any of the Parties;
"Joint Control"	shall have same meaning as defined in RfS Document.
"Late Payment Surcharge"	shall have the meaning ascribed thereto in Article 10.3.3 of this Agreement;
"Law"	shall mean in relation to this Agreement, all laws including Electricity Laws in force in India and any statute, ordinance, regulation, notification or code, rule, or any interpretation of any of them by an Indian Governmental Instrumentality and having force of law and shall further include without limitation all applicable rules, regulations, orders, notifications by an Indian Governmental Instrumentality pursuant to or under any of them and shall include without limitation all rules, regulations, decisions and orders of the Appropriate Commissions;
"Letter of Credit" or "L/C"	shall have the meaning ascribed thereto in Article 10.4 of this Agreement;
"Market"	shall have the same meaning as contained in the Central Electricity Regulatory Commission (Power Market) Regulations, 2021;
"Market Clearing Price" or "MCP"	of a time-block means the price of a particular type of contract on a Power Exchange, arrived at after considering all valid purchase and sale bids.
"MNRE"	shall mean the Ministry of New and Renewable Energy, Government of India;
"Month"	shall mean a calendar month, or as defined specifically in any Article;
"Party" and "Parties"	shall have the meaning ascribed thereto in the recital to this Agreement;
"Payment Security Mechanism"	shall have the meaning ascribed thereto in Article 10.4 of this Agreement;

"Peak Hours"	Pursuant to Article 4.4.1, this shall mean the energy scheduling hours in a day, which shall be between 18:00 Hrs. and 24:00 Hrs. of a Day, provided that such selected hours fall within the non-solar hours as defined under the GNA Regulations. For the purpose of scheduling, a 'Day' shall commence from 00:00 Hrs. and end at 24:00 Hrs. The RPD shall, on a day-ahead basis, choose any 2 hours for supply of energy from the Project through Power Exchanges from "Peak Hours". The 2 hours chosen by the RPD for a day shall be the Peak Hours for that Day. The RPD is mandated to sell 2000 kWh of energy per MW Contracted Capacity of the Project during Peak Hours, on a daily basis.
"Peak Power"	shall mean the power supplied from the Project through the Power Exchanges during Peak Hours;
"Performance Bank Guarantee"	shall mean the irrevocable unconditional bank guarantee, submitted by the RPD to SECI in the form attached as Format-7.3C of the RfS;
"Pooling Substation/ Pooling Point"	means a point where more than one Power Project may connect to a common transmission system. Multiple Projects can be connected to a pooling substation from where common transmission system shall be constructed and maintained by the RPD(s) to get connected to the Delivery Point. The voltage level for such common line shall be as per the voltage level specified in "Interconnection Point". Further, the metering of the pooled power shall be done at the injection point, i.e. the ISTS substation. However, the voltage level of transmission system of individual projects up to the pooling substation may be at 33 kV and above. Sub-meters shall be installed at the pooling substation for metering and forecasting and scheduling of individual projects. The losses in the common transmission system up to the injection point shall be apportioned to the individual Projects for the purpose of billing. In such case, it shall be responsibility of the RPD to obtain and furnish the meter reading jointly by the RPD and any competent authority (State Government or Central Government) (if applicable).
"Power Exchange"	means an electronic platform registered as a Power Exchange under the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (as amended from time to time);
"RE Power Project" or "RE Project" or "Power Project" or "Project"	shall mean the renewable energy generation facility of Contracted Capacity of ……….[Insert capacity] MW, located at ……………. [Insert name of the place] in …. [Insert name of the District and State] comprising Solar Power Generating systems, Wind Power Generating systems, other renewable energy generating source(s) or a combination thereof, for supply of RE power through Power Exchanges, with or without ESS (which may be leased/tied-up from

	a third party), having a separate control system, metering and a single point of injection into the grid at Delivery /Interconnection/Metering point at ISTS substation or in case of sharing of transmission lines, by separate injection at pooling point. It is clarified that ESS charged using a source other than RE power would not qualify as RE power. It may be noted that the sources of generation and ESS shall be co-located. The project shall include all units/ modules, auxiliaries and associated facilities, such as water supply, treatment or storage facilities; bay(s) for transmission system in the switchyard, transmission line up to the Delivery Point and all the other assets, buildings/structures, equipment, plant and machinery, facilities and related assets required for the efficient and economic operation of the power generation facility; whether completed or at any stage of development and construction or intended to be developed and constructed for the purpose of supply of power on/ through Power Exchanges as per this Agreement. It is clarified that arithmetic summation of the rated capacities of Wind, Solar PV and other renewable power generating components of the Project can be more than the Contracted Capacity.
"Preliminary Default Notice"	shall have the meaning ascribed thereto in Article 13 of this Agreement;
"Prudent Utility Practices"	shall mean the practices, methods and standards that are generally accepted within India from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation and maintenance of power generation equipment and which practices, methods and standards shall be adjusted as necessary, to take account of: a) operation and maintenance guidelines recommended by the manufacturers of the plant and equipment to be incorporated in the Power Project; b) the requirements of Indian Law; and the physical conditions at the site of the Power Project
"RBI"	shall mean the Reserve Bank of India;
"RE Power" or "Renewable Energy Power"	shall refer to power supplied from Solar Power Generating Systems, Wind Power Generating Systems, Wind-Solar hybrid or any other renewable energy resource based Generating System or a combination thereof, with or without Energy Storage System (ESS). It is clarified that ESS charged using a source other than RE power would not qualify as RE Power. Further, in the case of charging the ESS from sources other than RE, any financial implications, including but not limited to ISTS charges, shall be borne by the RPD.

"RE Park"	shall refer to areas or parks developed, in accordance with the Guidelines issued by Central or State Governments, for setting-up of renewable energy power projects, including Solar-Wind Hybrid Power projects.
"Real-Time Contract"	means a contract other than Day Ahead Contract or Intraday Contract or Contingency Contract, wherein Collective Transactions occur on day (T) or day (T-1) and delivery of electricity is on day (T) for a specified delivery period.
"Real-Time Market" or "RTM"	means a market where Real-time Contracts are transacted on the Power Exchange(s).
"Reference Rate"	for a particular Day, for the purpose of calculation of penalty/ damages/ compensation, shall be the highest of the MCP on that Day in the GDAM/DAM/RTM of all the Power Exchanges operating in India.
"Request for Selection / RfS/ Bidding Documents"	shall mean Request for Selection Documents issued by SECI vide RfS No. SECI/C&P/IPP/13/0002/26-27 dated 15.07.2026 including subsequent clarifications, amendments and addenda thereof.
"RLDC"	shall mean the relevant Regional Load Dispatch Centre established under Sub-section (1) of Section 27 of the Electricity Act, 2003;
"RPC"	shall mean the relevant Regional Power Committee established by the Government of India for a specific region in accordance with the Electricity Act, 2003 for facilitating integrated operation of the power system in that region;
"Rupees", "Rs.", "₹"	shall mean Indian rupees, the lawful currency of India;
"Scheduled Commissioning Date" or "SCD"	shall mean ……………… [Insert Date as per applicable provisions of the RfS];
"SERC"	shall mean the Electricity Regulatory Commission of any State in India constituted under Section-82 of the Electricity Act, 2003 or its successors, and includes a Joint Commission constituted under Subsection (1) of Section 83 of the Electricity Act 2003;
"SLDC"	shall mean the centre established under Sub-section (1) of Section 31 of the Electricity Act 2003, relevant for the State(s) where the Delivery Point is located;
"SLDC Charges"	shall mean the charges levied by the SLDC of the state wherein the RE Power Project is located;
"SECI"	shall mean Solar Energy Corporation of India Limited;
"Solar Power"	shall mean power generated from the Solar Photovoltaic Power Project;
"Solar Photovoltaic Project Component" or "Solar PV Project Component"	shall mean the Project component that uses sunlight for conversion into electricity and that is being set up by the RPD to supply renewable energy (RE) through Power Exchanges as per the terms and conditions of this Agreement;

"State Transmission Utility" or "STU"	shall mean the Board or the Government company notified by the respective State Government under Sub-section (1) of Section 39 of the Act;
"Tariff" or "Strike Price" or "Applicable Tariff"	shall mean the price/ tariff (INR/kWh) discovered after the e-RA, against which the CfD settlement will take place during the Term of CfDA and shall have the same meaning as provided for in Article 9 of this Agreement;
"Time-Block"	shall have the same meaning as contained in the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 and other Regulations issued by CERC, including subsequent amendments thereto;
"Termination Notice"	shall mean the notice given by either Parties for termination of this Agreement in accordance with Article 13 of this Agreement;
"Term of Agreement"	shall have the meaning ascribed thereto in Article 2 of this Agreement;
"Unit/ Part Commissioning"	shall mean the part Contracted Capacity (AC MW) not less than 50 MW (with the last part being the balance Contracted Capacity) from which commencement of power supply is recorded;
"Unit Commercial Operation Date (UCOD)"	shall mean the COD declared for the respective unit/part of the Project in line with the provisions of the Grid Code.
"Week"	shall mean a calendar week commencing from 00:00 hours of Monday, and ending at 24:00 hours of the following Sunday;
"Wind Power Project Component"	shall mean the Project component that uses wind energy for conversion into electricity through wind turbine generator.

1.2 Interpretation

Save where the contrary is indicated, any reference in this Agreement to:

1.2.1 “Agreement" shall be construed as including a reference to its Schedules and/or Appendices and/or Annexures;

1.2.2 An "Article", a "Recital", a "Schedule” and a “paragraph / clause" shall be construed as a reference to an Article, a Recital, a Schedule and a paragraph/clause respectively of this Agreement;

1.2.3 A “crore” means a reference to ten million (10,000,000) and a “lakh” means a reference to one tenth of a million (1,00,000);

1.2.4 An "encumbrance" shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;

1.2.5 “Indebtedness” shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

1.2.6 A "person" shall be construed as a reference to any person, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests;

1.2.7 "Rupee", "Rupees”, “Rs” or new rupee symbol “₹ ” shall denote Indian Rupees, the lawful currency of India;

1.2.8 The "Winding-up", "dissolution", "insolvency", or "reorganization" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, Winding-up, reorganization, dissolution, arrangement, protection or relief of debtors;

1.2.9 Words importing the singular shall include the plural and vice versa;

1.2.10 This Agreement itself or any other agreement or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented;

1.2.11 A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time;

1.2.12 A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time;

1.2.13 Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part;

1.2.14 The tables of contents and any headings or sub-headings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement;

1.2.15 All interest, if applicable and payable under this Agreement, shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty-five (365) days;

1.2.16 The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement;

1.2.17 The terms "including" or "including without limitation" shall mean that any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

1.2.18 This Agreement and other documents such as Request for Selection Documents, Letter of Award, Guidelines including subsequent clarifications, addenda, amendments and further clarifications in regard to the tender shall be read in conjunction with each other and interpreted in harmonious manner. However, in case of any mismatch/contradiction between provisions of different documents, following shall be the order of precedence:

1. Contract for Difference (CfD) Agreement
2. RfS Documents

ARTICLE 2: TERM OF AGREEMENT

2.1 ***Effective Date***

2.1.1 This Agreement shall come into effect from……………… [*Enter the date in line with Clause 21.4 of the RfS*] and such date shall be referred to as the Effective Date.

2.2 ***Term of Agreement***

2.2.1 This Agreement shall be valid for a term from the Effective Date until the Expiry Date. This Agreement may be extended for a further period, at least one hundred eighty (180) days prior to the Expiry Date, on mutually agreed terms and conditions.

2.2.2 The RPD is free to operate its Project beyond the Expiry Date if other conditions such as land lease / Right to Use of Land (as applicable), permits, approvals and clearances etc. allow. In such case, unless otherwise agreed to by SECI, SECI shall not be obligated to carry out settlement under CfD mechanism beyond the Expiry Date.

2.3 ***Early Termination***

2.3.1 This Agreement shall terminate before the Expiry Date if either SECI or RPD terminates the Agreement, pursuant to Article 13 of this Agreement.

2.4 ***Survival***

2.4.1 The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive penalty as per the terms of this Agreement, nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination including those under Article 11 (Force Majeure), Article 13 (Events of Default and Termination), Article 14 (Liability and Indemnification), Article 16 (Governing Law and Dispute Resolution), Article 17 (Miscellaneous Provisions), and other Articles and Schedules of this Agreement which expressly or by their nature survive the Term or termination of this Agreement shall continue and survive any expiry or termination of this Agreement.

ARTICLE 3: INSTALLED CAPACITY AND PERFORMANCE SECURITY

3.1 *Installed Capacity*

3.1.1 The RPD shall configure the Project components with the objective of supplying power during Peak Hours from the Project through the Power Exchanges. Accordingly, the Project Capacity, i.e. the Installed Capacity shall mean the rated capacities of the RE power generating and ESS components, as applicable, in the following configuration:

Solar: ____ MW

Wind: ____ MW

Any other renewable energy generating source: ____ MW

ESS: ____ MW/_____ MWh

3.1.2 The above configuration can be changed until SCD. Further, the RPDs are free to change the Project location and/or Delivery Point up to the deadline for Financial Closure as per Article 3.4 of this Agreement. Any change in Delivery Point shall be allowed by SECI only in case the Start Date of connectivity at the proposed revised Delivery Point is on or before the Start Date of connectivity at the existing Delivery Point of the Project.

In the case of change in Delivery Point and in any other case (except on account of Force Majeure), the RPD will not be eligible for extension in Financial Closure and SCD timelines for meeting the Project milestones.

3.1.3 In case ESS is installed by the RPD as part of the Project, such ESS may be owned by the RPD or may be tied-up separately with a third party by the RPD, for supply of power through Power Exchanges. Further, it is clarified that ESS charged using a source other than RE power would not qualify as RE power. ESS technology can be changed by the RPD at any time during the Term of the CfDA. Any change in the ESS component during the Term of the CfDA shall be at the risk and cost of RPD and under intimation to SECI.

3.2 *Performance Bank Guarantee/ Insurance Surety Bond*

3.2.1 The Performance Bank Guarantee (PBG)/ Insurance Surety Bond having validity from the date of submission of PBG/ Surety Bond until ………… (insert validity period as per Clause 18.1 of the RfS), submitted for a value of Rs. _________ (in words) under this Agreement, shall be for guaranteeing the commissioning of the Project up to the

Contracted Capacity within the time specified in this Agreement as per Format-7.3C/ 7.3D of the RfS.

Since the PBG is linked to the Installed Capacity of the Project, and the same is allowed to be modified subsequent to bid submission, in case of revision in the Installed Capacity until the date as per Article 3.1 of this Agreement, for which modified connectivity is granted for the Project, the RPD will be required to submit the revised PBG corresponding to the revised Installed Capacity prior to issuance of SECI's consent for such revision.

3.2.2 The failure on the part of the RPD to furnish and maintain the Performance Bank Guarantee/ Surety Bond shall be a material breach of the term of this Agreement on the part of the RPD.

3.2.3 If the RPD fails to commission the Project by SCD specified in this Agreement or any further extension thereof granted by SECI (if any), subject to conditions mentioned in Article 4.5, SECI shall encash the PBG/ Surety Bond equivalent to the amount calculated as per penalties applicable under Article 4.6 as on the date of encashment without prejudice to the other rights of SECI under this Agreement. It is to be noted that the damages/dues recovered by SECI by encashing the PBG/ Surety Bond, upon the default of the RPD under the CfDA, shall be credited to the CfD Stabilization Fund maintained by SECI under the CfDA.

3.3 *Return of Performance Bank Guarantee/ Insurance Surety Bond*

3.3.1 Subject to Article 3.2, SECI shall return / release the Performance Bank Guarantee/ Surety Bond within 45 days of successful commissioning of the full Project Capacity/ capacity finally accepted by SECI, after taking into account any liquidated damages / penalties due to delays in commissioning of the Project beyond SCD as per provisions stipulated in this Agreement. In case of part-commissioning of the Project, PBG/Surety Bond corresponding to such part capacity may be released within 45 days of the actual date of commissioning of such part-capacity.

3.3.2 The return / release of the Performance Bank Guarantee/ Insurance Surety Bond shall be without prejudice to other rights of SECI under this Agreement.

3.4 *Achievement of Financial Closure*

The RPD agrees and undertakes to duly perform and complete all of the following activities to achieve Financial Closure, at the RPD's own cost and risk, by the date as on 6 months prior to the SCD:

a) The RPD shall make 100% tie-up of Project financing arrangements and shall provide necessary certificates to SECI in this regard;

b) The RPD shall submit the details of all planned/proposed solar panels, inverters, wind turbine generators, ESS and produce the documentary evidence (MoU/P.O./LoA/Agreements shall be submitted as evidence) of the same.

3.5 Consequences of non-achievement of Financial Closure

3.5.1 In case of a failure to submit the documents as above, SECI shall encash the Performance Bank Guarantee/ Surety Bond submitted by the RPD and may terminate this Agreement and remove the Project from the list of the selected Projects by giving a notice to the RPD in writing of at least seven (7) days. Unless extended as per provisions of Article 3.5.2 of this Agreement in writing, SECI may terminate this Agreement upon the expiry of the 7th day of the above notice.

3.5.2 An extension, without any impact on the SCD, may however be considered till SCD of the Project, on the sole request of RPD, on payment of Rs. 100/MW/day + applicable GST to SECI. Such extension charges are required to be paid to SECI in advance, for the period of extension required. In case of any delay in depositing this extension charge, RPD shall pay an interest on this extension charge for the days lapsed beyond due date of Financial Closure @ SBI-MCLR (1Year). In case such delay in making payment of the extension charges to SECI is more than 7 days, SECI may terminate this Agreement upon the expiry of such 7th day. In case of the RPD meeting the requirements of Financial Closure before the last date of such proposed delay period (for which extension charges have been paid), the remaining amount deposited by the RPD shall be returned by SECI without interest. This extension will not have any impact on the SCD. Any extension charges paid by the RPD shall be returned to the RPD without any GST amount and interest on achievement of successful commissioning of the Project within the SCD, on pro-rata basis, based on the Contracted Capacity that has been commissioned as on SCD. However, in case the RPD fails to commission the Contracted Capacity by SCD, the extension charges deposited by the RPD shall not be refunded by SECI. For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.

ARTICLE 4: CONSTRUCTION & DEVELOPMENT OF THE PROJECT

4.1 ***RPD's Obligations***

4.1.1 The RPD undertakes to be responsible, at RPD's own cost and risk, for the following:

a) The RPD shall be solely responsible and make arrangements for land & associated infrastructure for development of the Project and for Connectivity with the ISTS for confirming the availability of power system required for supply of power by the SCD and all clearances related thereto.

b) Obtaining all Consents, Clearances (including Environmental clearance, if applicable) and Permits as required and maintaining all Consents, Clearances and Permits in full force and effect during the Term of this Agreement. SECI shall have no obligation to recommend to any department/agency or the Government for the grant/permission for the RE Power project. RPD shall, on his own, obtain permissions/ sanctions from Government authorities, if any, required for establishing the Project. Any steps that may be taken by SECI regarding grant of such consent and permits or any other approval to be taken by the RPD shall only be a voluntary facilitating endeavour on the part of SECI with no intention of being bound by any legal or binding obligation.

c) Designing, constructing, erecting, commissioning, completing and testing the Power Project in accordance with the applicable Law, the Grid Code, the terms and conditions of this Agreement and Prudent Utility Practices.

d) The RPD shall make adequate arrangements to connect the Power Project switchyard with the Interconnection Facilities at Interconnection / Metering / Delivery Point to connect the Power project switchyard with the Interconnection facilities at the Delivery Point.

e) Maintaining the Connectivity as per provision of GNA regulation issued by CERC, for evacuation of the Contracted Capacity throughout the term of the Agreement. It is further clarified that RPD shall be responsible for its respective obligation as notified in the detailed procedure issued subsequently under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022, and its subsequent amendments, irrespective of the provisions of the RfS and CfDA.

f) The commissioning of the Project up to the Contracted Capacity no later than the SCD and continuance of the supply of power in line with Article 4.4 of this Agreement throughout the term of the Agreement.

g) Owning the Project throughout the Term of Agreement, free and clear of encumbrances, except those expressly permitted under Article 15.

h) Maintaining minimum 51% shareholding prevalent at the time of signing of CfDA up to a period of one (1) year after the SCD in line with Clause 23 of the RfS.

i) Fulfilling all obligations undertaken by the RPD under this Agreement and also as per the terms of the RfS.

j) The RPD shall be responsible for directly coordinating and dealing with the corresponding Power Exchange(s), Load Dispatch Centres, Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of RE Power and due compliance with deviation and settlement mechanism and the applicable Grid Code/State/Central Regulations, acknowledging that the RPD is the Grid connected entity and SECI as a nodal agency for implementing the CfD mechanism is not a Grid connected entity in respect of the Power corresponding to which CfD settlement is contracted under this Agreement.

k) For the Solar PV and ESS components, the RPD shall fulfil the technical requirements according to criteria mentioned under Annexure B and Annexure-E of the RfS, respectively. For the solar PV capacity, the Solar PV modules and solar PV cells used in the Project shall be sourced only from the models and manufacturers included in the List-I (for solar PV modules) and List-II (for solar PV cells) under the "Approved List of Models and Manufacturers" as published by MNRE and valid as on the date of invoicing of such modules. In case of the wind capacity, type-certified wind turbine models listed in Revised List of Models and Manufactures (RLMM) issued by MNRE as updated until the date of commissioning of the project will be allowed for deployment under the RfS. Installation of other RE generating sources as part of the Project shall be governed by applicable technical standards issued by the Government from time to time.

l) The RPD shall be solely responsible for and obligated to ensure that the Project being implemented under this Agreement shall fulfil the criteria as per Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, and subsequent amendments and clarifications thereof.

m) For the Project being implemented under this Agreement, the RPD shall submit a detailed completion Schedule for the Project prior to the signing of CfDA. Broad details to be captured in the Schedule are the land procurement, grid connectivity; order, supply, and erection status of various Project components; financial arrangement/ tie up etc. The RPD shall also submit the progress report to SECI in a form acceptable to SECI and shall contain percentage completion achieved compared with the planned percentage completion for each activity, and any such other information as required by SECI. The RPD shall be required to submit the progress status of Project to SECI as and when requested by SECI, strictly within the timelines provided by SECI. Further, on 5th day of every calendar month, the RPD shall be required to submit the Project progress status as per Annexure-D of the RfS. In case of failure to comply with the same, SECI at its discretion, may or may not consider the SCD extension request of the RPD.

n) RPD shall comply with applicable cyber security regulations, directives, and guidelines issued by the Central Government Authorities dealing with cyber security.

4.2 ***Information regarding Interconnection Facilities***

4.2.1 The RPD shall be required to obtain all information from the STU/CTU/concerned authority regarding the Interconnection Facilities as is reasonably necessary to enable it to design, install and operate all interconnection plant and apparatus on the RPD's side of the Delivery Point to enable delivery of electricity at the Delivery Point for onward sale of such electricity on/ through Power Exchanges. The transmission of power up to the point of interconnection where metering is done for energy accounting shall be the responsibility of the RPD at its own cost.

4.2.2 Penalties, fines and charges, etc. imposed by the CTU/ STU under any statute or guidelines in relation to delay in commissioning of the Project shall be entirely dealt with by the RPD and any such amounts claimed by such agency(ies) shall be payable by the RPD.

4.2.3 The responsibility of getting connectivity for non-solar hours (i.e. with the injection scheduling rights during non-solar hours) with the transmission system up to the Interconnection Point, will lie with the RPD. The transmission of power up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of the RPD to be obtained at its own risk and cost. The maintenance of Transmission system up to the designated point as per the applicable terms and conditions shall be the responsibility of the RPD to be obtained at its own risk and cost. All costs and charges including but not limited to the wheeling charges and losses up to and including at the Interconnection Point associated with this arrangement will also be borne by the RPD.

4.2.4 In case of Pooling substation, losses in the transmission line shall be apportioned among the RPDs who share such a Pooling arrangement and duly signed by all RPDs, based on their monthly generation.

4.2.5 The arrangement of connectivity shall be made by the RPD through a transmission line. The entire cost of transmission including cost of construction of line, any other charges, losses etc. from the Project up to the Interconnection Point will be borne by the RPD.

4.2.6 ISTS charges and losses on transmission of power, including waiver for RE power, shall be applicable as per extant regulations. ISTS charges and losses till the Delivery Point(s), if applicable, shall be borne by the RPD.

4.2.7 Further, it is hereby clarified that any associated charges, losses, and any fees (including transaction fees), as applicable, for selling the energy on/through Power Exchange shall be entirely borne by RPD. SECI shall only carry out the CfD settlement as detailed in Article 9.

4.3 Sale of Power within the Contracted Capacity

4.3.1 Subject to the terms and conditions of this Agreement, the RPD undertakes to sell RE power on/ through Power Exchanges during any 2 Peak Hours as identified by the RPD and SECI undertakes to settle the profit earned/ loss borne by the RPD from such sale under the Contract for Difference (CfD) mechanism, as detailed in Article 9.

4.4 Right to Contracted Capacity & Energy

4.4.1 <u>Scheduling and supply of energy during Peak Hours</u>

i. The RPD shall, on a day-ahead basis, choose any 2 hours from the "Peak Hours" as defined for supply of energy from the Project through Power Exchanges .Such Peak Hours shall be chosen between (and including) 18:00 Hrs. and 24:00 Hrs. of a Day, provided that such selected hours fall within the non-solar hours as defined under the GNA Regulations. The 2 hours chosen by the RPD for a day shall be the Peak Hours for that day.

ii. The RPD is mandated to sell 2000 kWh of energy per MW Contracted Capacity of the Project during Peak Hours on/through Power Exchanges, on a daily basis. It is hereby clarified that in case of excess supply by the RPD over the daily limit as stipulated in these provisions, RPD shall not be entitled for CfD settlement against such excess energy supplied and the same shall not be considered while calculating the RPD's performance with respect to this Clause and Article 4.4.3

of the CfDA. Any liability arising out of such excess energy supply shall be to the sole account of RPD.

iii. The RPD shall be required to sell the energy from the Project in the Markets through Power Exchanges on a daily basis. The RPD shall schedule supply during Peak Hours through Power Exchanges at its discretion, with the objective of maximizing revenue by selecting any 2 hours within the Peak Hours during which the Market Clearing Price (MCP) is expected to be the highest.

iv. The RPD shall supply power such that 100% of the annual energy scheduled on the Power Exchange(s) corresponds to RE power. The RPD can, however, source up to 25% RE power (in energy terms), on annual basis, from the green market sources/bilateral agreements towards meeting the supply conditions stipulated in the RfS/CfDA, as per extant regulations. It is hereby clarified that sourcing of 25% energy from green market sources/bilateral agreements, as indicated in this Article, refers to 25% of the total annual energy required to be supplied through the Exchanges. This energy may be supplied directly to meet the supply requirements during Peak Hours and/or utilized for charging the ESS for subsequent supply from the ESS during Peak Hours (as applicable). Further, in the case of supply of energy from the ESS towards meeting this 25% requirement (in part or full), only the energy discharged from the ESS shall be considered for calculating the 25% requirement, and not the corresponding charging energy required.

Any supply from 3rd party sources exceeding the 25% limit under this Article shall not be eligible for any CfD settlement under this RfS and will not be considered while calculating the RPD's performance under the CfDA, even if the over energy supplied by the RPD remains within the daily limit as per Article 4.4.1(ii) above. Any liability arising out of such excess energy supply shall be to the sole account of RPD.

v. In case where ESS component is installed by the RPD, in order to allow optimization of operation of ESS, the RPD is allowed to use the ESS component for any other application (including market operations such as third-party sale or sale in power exchange) within the availability of connectivity, without requiring No Objection Certificate (NOC) from SECI, after fulfilling the Peak supply requirements for that Day (which is supply of 2 MWh per MW Contracted Capacity on daily basis during Peak Hours) as per the RfS and CfDA.

Any instance of third-party sale of power from the Project by the RPD, while the supply commitments under the CfDA remains unfulfilled for that day, shall constitute a breach of RPD's obligations under the CfDA and render the RPD liable for penalty @1.5 times of the difference between Reference Rate (Reference Rate being the highest of the MCP on that Day in the DAM/GDAM/RTM of all the Power Exchanges operating in India), and the Strike Price (SP), corresponding to the volume of such sale. This penalty will be levied over and above the penalty for shortfall in meeting the supply of energy during Peak Hours as per Clause 8.2 of the RfS.

In case the Reference Rate comes out to be less than the Strike Price, no penalty shall be levied on the RPD.

In either case, for such sale of power from the Project, the RPD shall not be eligible for CfD settlement under the CfDA.

4.4.2 Bidding by the RPD on Power Exchanges

i. The critical aspect of this mechanism is participation of the RPD in the Power Markets, as defined by the CERC. To meet the energy supply criteria under Article 4.4.1 above, the RPD shall play the role of a seller in the Power Exchanges, in line with the CERC Power Market Regulations, 2021 (including its subsequent amendments).

ii. Selection of appropriate Power Exchange, as well as the appropriate Market (DAM/GDAM/HPDAM/RTM or any other similar Market based on Collective Transaction as recognized by the CERC for power sale) for sale of electricity on daily basis, shall be the discretion of the RPD. The RPD shall ensure that its quoted volume (energy) gets cleared in the Market selected by the RPD, on a daily basis, to be eligible for any CfD settlement under this RfS.

iii. The "Time-Block" for bidding on the Power Exchange, shall be the time-interval as defined in the appropriate regulations issued by the CERC, as amended from time to time. The 2-hour window chosen by the RPD each day, shall comprise a summation of such time-blocks as identified by the RPD for selling in the Market(s). Such Time-Blocks may or may not be consecutive, with the only requirement being that they are chosen from the Peak Hours as defined in this Agreement and the summation of such individual time intervals adds up to 2 hours, i.e. 120 minutes, on a daily basis.

iv. The bidding mechanism followed by the RPD on Power Exchanges will be closely monitored by SECI, to ensure that the bidding is carried out in the best interest of the CfD mechanism, which is maximization of revenue from sale of energy. Notwithstanding the above, during the Term of the CfDA, if deemed necessary, SECI shall have the right to designate the Peak Hours (including specific Time-Blocks) during which the RPD shall supply power from the Project through the Power Exchanges and the Power Exchange. Further, during the period in which the MCPs in the above markets are expected to remain lower than the Strike Price for a sustained period, RPDs may be allowed to sell the electricity in suitable markets based on the approval of SECI/MNRE. It is hereby clarified that any associated charges, losses, and any fees (including transaction fees), as applicable, for selling the energy on/through Power Exchange shall be entirely borne by RPD. SECI shall only carry out the CfD settlement as detailed in Article 9.

4.4.3 Shortfall in Energy Supply during Peak Hours

i. In case of any shortfall in supply of Power through Power Exchanges during the Peak Hours (as chosen by the RPDs) in a Contract Week, from the mandated supply of energy (i.e. 14 MWh for each 1 MW Contracted Capacity), the RPD shall pay a penalty calculated @ 1.5 times of the difference between (i) the highest of the MCP in HPDAM/DAM/GDAM/RTM or any other similar extant Market-based Collective Transaction Mechanism of all the Power Exchanges during the non-solar hours, as specified by GRID-INDIA, falling between (& including) 18:00 Hrs. and 24:00 Hrs., across all Days of the Week, and (ii) Strike Price (SP), corresponding to the shortfall in energy. In case the rate as determined at (i) above comes out to be less than the Strike Price, no penalty shall be levied on the RPD. It is hereby clarified that the RPD shall not be eligible for CfD settlement corresponding to the energy shortfall.

ii. The above shortfall shall be calculated such that penalty will be levied on the shortfall beyond 10% in a Contract Week, computed against the energy required to be supplied by the RPD during the Peak Hours (i.e. 14 MWh for each 1 MW Contracted Capacity). Thus, for a 100 MW Project, the minimum quantum of energy to be supplied in any Contract Week shall be 90% of 100 MW x 2 hrs. x 7days x 1000 = 12,60,000 kWh. The shortfall shall be calculated on a Contract week basis, and the accrued penalties for the Contract Weeks ending in that month shall be recovered on a monthly basis.

iii. The term "supply" used in this Clause shall mean the quantum of energy (kWh) cleared on the Power Exchange(s). It is hereby clarified that any uncleared volume shall also be considered as part of shortfall in energy supply by the RPD. If the energy in any time-block during Peak Hours selected by the RPD is curtailed on account of constraints/ congestion in the transmission corridor in accordance with the applicable regulations and the Grid Code, the quantum of such curtailed energy shall be reduced from the energy required to be supplied by the RPD for that Contract Week and the penalty will be levied on the shortfall calculated with reference to the revised energy required to be supplied by the RPD for that Contract Week.

iv. The detailed list of documents required for verification of energy supply and performance of the Project will be intimated to the RPD subsequent to commissioning.

v. For each Month, the above data will be required to be submitted by the RPD to SECI within 7 days after expiry of the previous Month, for verification of the performance parameters for calculating applicable penalty on account of shortfall.

4.4.4 The RPD may repower the Project at any stage at its own risk and cost, if required in order to meet the assured Peak Supply requirement of this Project.

However, in case at any point of time, the peak of capacity reached is higher than the Contracted Capacity and causes disturbance in the system at the point where power is injected, the RPD will have to forego the excess generation and reduce the output to the rated capacity and shall also have to pay the penalty/charges (if applicable) as per applicable regulations / requirements / guidelines of CERC / RLDC or any other competent agency.

4.4.5 The RPD agrees that the methodology specified hereinabove for calculation of compensation in the form of penalties payable by the RPD as indicated above is a genuine and accurate pre-estimation of the actual loss that will be suffered by SECI. RPD shall further acknowledge that a breach of any of the obligations contained herein result in injuries and that the amount of the penalty or the method of calculating the penalty specified in this document is a genuine and reasonable pre-estimate of the penalty that may be suffered by the SECI in each case specified under this Agreement.

4.4.6 The parties agree that penalties shall not be applicable in events of Force Majeure identified under the CfDA, affecting supply of power by the RPD.

4.5 ***Extensions of Time***

4.5.1 In the event that the RPD is prevented from performing its obligations under Article 4.1 by the SCD due to:

a) Force Majeure Events affecting SECI, or

b) Force Majeure Events affecting the RPD,

the SCD and the Expiry Date shall be deferred, for a reasonable period but not less than 'day for day' basis, to permit the RPD or SECI through the use of due diligence, to overcome the effects of the Force Majeure Events affecting the RPD or SECI or till such time such Event of Default is rectified by SECI.

4.5.2 It is clarified that the Project shall not be eligible for any extension in SCD on account of any reason other than Force Majeure.

4.5.3 In case of extension due to reasons specified in Article 4.5.1, and if such Force Majeure Event continues even after a maximum period of six (6) months from the date of the Force Majeure Notice, termination of this Agreement shall be caused solely at the discretion of SECI, as per the provisions of Article 13.5.

4.5.4 If the Parties have not agreed, within thirty (30) days after the affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by which the SCD or the Expiry Date should be deferred, either Party may raise the Dispute to be resolved in accordance with Article 16.

4.5.5 As a result of such extension on account of Article 4.5.1, the newly determined SCD and newly determined Expiry Date shall be deemed to be the SCD and the Expiry Date for the purposes of this Agreement.

4.5.6 Delay in commissioning of the project beyond the SCD for reasons other than those specified in Article 4.5.1 shall be an event of default on part of the RPD and shall be subject to the consequences specified in the Article 4.6.

4.6 Penalty for delay in Commencement of Power Supply

4.6.1 The RPD shall commission the Project and commence supply of power from the full Contracted Capacity within SCD as defined in this Agreement. If the RPD is unable to commission the Project by the SCD for reasons other than those specified in Article 4.5.1, the RPD shall pay to SECI, penalty for the delay in such commissioning and making the Contracted Capacity available for dispatch by the SCD as per the following:

(a) <u>Delay beyond the SCD up to (& including) the date as on 3 months after the SCD or the extended SCD, if applicable:</u> The total PBG/Surety Bond amount shall be encashed on pro-rata basis and proportionate to the Contracted Capacity that has not commenced supply of power.

(b) For avoidance of doubt it is clarified that provisions of Article 4.6.1 will be applicable even in cases where no capacity (**i.e. 0 MW**) has commenced power supply.

4.6.2 The maximum time period allowed for Project commissioning and commencement of power supply from the full Contracted Capacity with encashment of Performance Bank Guarantee/Surety Bond shall be limited to 3 months after the SCD/extended SCD of the Project. In case, the commissioning of the Project is delayed beyond 3 months after the SCD/extended SCD, the Contracted Capacity shall stand reduced / amended to the capacity corresponding to the Project Capacity commissioned until the date as on 3 months after the SCD/ extended SCD and the CfDA for the balance capacity will stand terminated and shall be reduced from the Contracted Capacity.

4.6.3 The RPD acknowledges and accepts that the methodology specified herein above for calculation of penalty payable by the RPD is a genuine and accurate pre-estimation of the actual loss that will be suffered by SECI. RPD further acknowledges that a breach of any of the obligations contained herein result in injuries and that the amount of the penalty or the method of calculating the penalty specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the SECI in each case specified under this Agreement.

4.6.4 In case of part-commissioning of the Project subsequent to the SCD, encashment of PBG/Surety Bond shall take place upon commissioning of each part capacity, in case of no request for time extension of such part capacity pending with SECI.

4.7 Acceptance/Performance Test

4.7.1 Prior to synchronization of the Project with the grid, the RPD shall be required to get the Project certified for the requisite acceptance/performance test as may be laid down by Central Electricity Authority or an agency identified by the Central Government to carry out testing and certification of the RE Power projects.

4.8 Third Party Verification

4.8.1 The RPD shall be further required to provide entry to the site of the Power Project (from which power under this Agreement is being made available) free of all encumbrances at all times during the Term of the Agreement to SECI and a third Party nominated by any Indian Governmental Instrumentality for inspection and verification of the works being carried out by the RPD at the site of the Power Project. The RPD shall provide full support to SECI and/or the third party in this regard.

4.8.2 The third party may verify the construction works/operation of the Project being carried out by the RPD and if it is found that the construction works/operation of the Power Project is not as per the Prudent Utility Practices, it may seek clarifications from RPD or require the works to be stopped or to comply with the instructions of such third party.

4.9 Breach of Obligations

4.9.1 The Parties herein agree that during the subsistence of this Agreement, subject to SECI being in compliance of its obligations & undertakings under this Agreement, the RPD would have no right to negotiate or enter into any dialogue with any third party for the sale of Contracted Capacity of power which is the subject matter of this Agreement. It is the specific understanding between the Parties that such bar will apply throughout the entire term of this Agreement.

ARTICLE 5: SYNCHRONIZATION, COMMISSIONING, COMMENCEMENT OF SUPPLY OF POWER AND COMMERCIAL OPERATION

5.1 The RPD shall give the concerned RLDC/SLDC and SECI at least sixty (60) days' advanced preliminary written notice and at least thirty (30) days' advanced final written notice, of the date on which it intends to synchronize the RE Power Project to the Grid System.

5.2 Subject to Article 5.1, the Project may be synchronized by the RPD to the Grid System when it meets all the connection conditions prescribed in applicable Grid Code then in effect and otherwise meets all other Indian legal requirements for synchronization to the Grid System.

5.3 The synchronization equipment and all necessary arrangements / equipment including RTU for scheduling of power generated from the RE Project and transmission of data to the concerned authority as per applicable regulations shall be installed by the RPD at its generation facility at its own cost. The RPD shall synchronize its system with the Grid System only after the approval of synchronization scheme is granted by the head of the concerned substation/Grid System and checking/verification is made by the concerned authorities of the Grid System and RLDC, in line with the provisions of the Grid Code.

5.4 The RPD shall immediately after each synchronization/tripping of generator, inform the sub-station of the Grid System to which the generation facility including RE Project(s) is electrically connected and also to the RLDC in accordance with applicable Grid Code under intimation to SECI.

5.5 The RPD shall commission the Project in line with provisions of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023, as amended from time to time. In line with this regulation, the RPD proposing the Project, or its part (including single component), for commissioning shall give to SECI, a preliminary notice not later than 60 days prior and advance notice not later than 30 days prior to the proposed commissioning date. Further, the RPD shall also give a notice of not less than seven (7) days, for trial run or repeat of trial run, to the concerned RLDC and SECI. However, in case the repeat trial run is to take place within 48 hours of the failed trial run, fresh notice shall not be required.

The RPD shall submit requisite documents as mentioned below, at least 30 days prior to trial run of the Project –

i. Installation report duly signed by the authorized signatory as per Annexure-C of the RfS indicating rating and quantity of inverters and Solar PV modules (as applicable), Energy Storage System of each type for the capacity proposed for commissioning only duly signed by authorized signatory.

ii. Synchronization declaration by the RPD for the capacity proposed for commissioning, including details of the synchronized Solar blocks (as applicable), ESS units and WTGs (as applicable) as per Annexure-G of the RfS.

iii. Board resolution for authorized signatory for signing the documents related to commissioning of the Project.

iv. Affidavit from the authorized signatory of the RPD stating that

   a. the solar cells and modules have been procured from a manufacturer listed in the ALMM/ ALMMC by MNRE (as applicable).

   b. the Wind turbines installed in the said Project have been procured from a turbine manufacturer listed in the RLMM issued by MNRE (as applicable).

   c. all the equipment including but not limited to solar PV modules (as applicable), Inverters/PCU, Power transformer, ESS, WTGs (as applicable), Transmission Systems, and cables have been installed in compliance with the technical requirements specified under the RfS/CfDA.

   d. In case of individual component commissioning, RPD is required to submit affidavit as above.

   e. RPD has obtained all the necessary approvals for commencement of power supply from the Project.

   f. Indemnifying SECI against any discrepancies in the above details.

v. Plant layout along with the Single Line Diagram (SLD), clearly indicating the details of WTG size and capacity along with the individual WTG Serial Nos. (as applicable), their locations, feeder details, 230/220/33 kV Pooling Sub Station, the ESS, Solar Block Capacity (as applicable), Inverters/ICR Blocks, Inverter Duty Transformer, Power Transformers, and Energy meters.

vi. Energization approval from CEI/CEIG/CEA (as applicable) for WTGs, solar PV modules, inverters, transformers, ESS (as applicable) along with all annexures and attachments.

vii. CEIG/ CEA approval for 33 kV Transmission Line(s) and Feeders, CEIG/ CEA approval for ISTS S/s Bay, 220 kV Line & PSS.

viii. Final grant of connectivity letter issued by CTUIL for the Project in the name of either the RPD or the Successful Bidder. If the RPD intends to commission the project before the operationalization of connectivity, RPD shall submit an undertaking indemnifying SECI, as per the format in Annexure-H of the RfS.

ix. Trial run certificate issued by appropriate authority in accordance with IEGC.

x. MoD NOC approval /Affidavit indemnifying SECI in case of Green Zone, as declared by NIWE.

xi. Documents to prove the clear possession of or right to use the identified land. Affidavit from the RPD certifying possession of land identified for the project, bearing the details of such land parcels where Project is located, and indemnifying SECI against any discrepancies in the above details.

xii. A complete set of documents except trial run certificate and Synchronization declaration, required to be submitted by RPD 15 days before the proposed date of the commissioning of the Project.

xiii. Geotagging intimation to NIWE.

xiv. Metering scheme from RLDC/other concerned authority.

In case the RPD fails to submit the abovementioned documents 15 days prior to the proposed date of trial run to SECI, then NOC towards sale of infirm power will not be issued to the RPD. In this case, if it is found that the infirm power is being scheduled to any third party/ power exchange without obtaining NOC from SECI, RPD will be liable to pay compensation to SECI for the amount corresponding to the difference of Reference Rate (as defined under this Agreement) and Strike Price, only if the Reference Rate is higher than the Strike Price as per the CfDA. For sale of such infirm power from the Project, the RPD shall not be eligible for CfD settlement under the CfDA.

It is clarified that SECI shall bear no responsibility in declaration of commissioning/COD of the Project. However, on the basis of above documents, the RPD shall be required to obtain No-objection certificate (NOC)/ CfDA Compliance Certificate from SECI prior to declaration of commissioning/COD of the Project.

SECI's scope will be limited to verifying the installation of rated capacity(ies) of the Project, as per the COD certificate submitted by the RPD. This verification will be at SECI's discretion and shall not constitute any certification/confirmation of commissioning/COD of the Project by SECI. Prior to commencement of power supply, the RPD shall submit COD certificate for the corresponding Installed Capacity, which has commenced power supply to SECI, as part of the requisite documents.

The date of onset of commercial offtake of power from the Project through Power Exchanges under this Agreement shall be considered as the "Commercial Operation Date (COD)" under this Agreement.

The RPD shall be required to obtain No-Objection Certificate (NOC) from SECI prior to sale of infirm power to any third party/exchange prior to declaration of Commercial Operation Date (COD).

5.6 The RPD shall be permitted for full as well as part commissioning of the Project even prior to the SCD, subject to availability of transmission connectivity and General Network Access (GNA). In cases of early part or full commissioning of the Project, the RPD shall give fifteen (15) days advance notice to SECI regarding the advance commissioning of full or part capacity. The RPD shall commence sale of power from the early part/ full commissioned capacity on/through Power Exchanges, and the corresponding CfD settlement of such energy shall be undertaken by SECI in accordance with the terms and conditions of the CfDA.

5.7 Part commissioning of the Project shall be accepted by SECI subject to the condition that the minimum capacity for acceptance of first and subsequent part(s) shall be 50 MW (with the last part being the balance Contracted Capacity), without prejudice to the imposition of penalty, in terms of the CfDA on the part which has not yet been commissioned. Further, in case of part commissioning, the energy to be supplied by the RPD shall be proportionately reduced and any power being supplied over and above the supply requirements shall be treated as excess power under the respective CfDA provisions and shall not be covered under the CfD settlement under the RfS/ CfDA.

However, the SCD will not get altered due to part-commissioning of the Project. Irrespective of dates of part or full commissioning, the CfDA will remain in force until the Expiry Date.

5.8 SECI & RPD agree that for the purpose of commissioning of the Project by RPD, penalty for delay etc., the SCD as defined in this Agreement shall be the relevant date.

5.9 The RPDs will be free to reconfigure and repower various components of the Project configuration from time to time during the Term of the CfDA at its own risk and cost, pursuant to Articles 3.1 and 4.4 of this Agreement. However, SECI will be obligated to settle the CfD corresponding to power only up to the Contracted Capacity as per this Agreement.

5.10 In addition to the requirements mentioned above, RPD shall also comply with all the requirements as mentioned in the Indian Electricity Grid Code.

5.11 If the RPD installs any ESS component(s) at its own risk and cost without the corresponding RE Generating component (wind, solar PV or any other RE source), such ESS component shall be recognized by SECI only after the corresponding RE Generating component has been installed.

ARTICLE 6: DISPATCH AND SCHEDULING

6.1 *Dispatch and Scheduling*

6.1.1 The RPD shall be entirely responsible to schedule its power for selling such power on/ through Power Exchanges as per the applicable regulations / requirements / guidelines of CERC / RLDC or any other competent agency and same being recognized by the RLDC or any other competent authority / agency as per applicable regulation/ law / direction and maintain compliance to the applicable Codes/ Grid Code requirements and directions, if any, as specified by concerned RLDC from time to time. Any deviation from the schedule will attract the provisions of applicable regulation / guidelines / directions and any financial implication on account of this shall be on the account of the RPD.

6.1.2 The RPD shall be responsible for directly coordinating and dealing with the Regional Load Dispatch Centres, Regional Power Committees, and other authorities in all respects in regard to declaration of availability, scheduling and dispatch of power for selling such power through/ on Power Exchanges and due compliance with deviation and settlement mechanism and the applicable Grid Code Regulations, acknowledging that the RPD is the Grid connected entity and SECI as a counterparty to this Agreement is not a Grid connected entity in respect of the power contracted for settlement under this Agreement.

6.1.3 The RPD shall be responsible for any deviation from scheduling and for any resultant liabilities on account of charges for deviation as per applicable regulations. UI charges on this account shall be directly paid by the RPD.

6.1.4 Auxiliary power consumption will be treated as per the concerned Central/State regulations.

ARTICLE 7: METERING

7.1 ***Meters***

7.1.1 For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the RPD and SECI shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, the Grid Code, as amended from time to time.

7.1.2 The RPD shall bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at RPD's side of Delivery Point.

7.1.3 In addition to ensuring compliance of the applicable codes, the RPD shall install Main Check and Stand-by meter(s) at the Delivery Point, as per applicable Central/State regulations.

7.1.4 In case of pooling of multiple Projects, power from multiple Projects can be pooled at a Pooling Substation prior to the Delivery point and the combined power can be fed at Delivery point through a common transmission line from the Pooling Substation. In such cases, ABT compliant sub-meters as per relevant regulation/approval are also to be set up at pooling substation for individual projects in addition to the meters at Delivery Point as described in Article 7.1.3.

7.2 Reporting of Metered Data and Parameters

7.2.1 The grid-connected RE Power Projects will install necessary equipment for regular monitoring of solar irradiance (including GHI, DHI, and solar radiation in the module plane), ambient air temperature, wind speed and other weather parameters and simultaneously for monitoring of the electric power (both DC and AC) generated from the Project. RPD shall also install and maintain GPS enabled Automatic Weather Station (AWS) as per the technical specifications and standards specified by relevant Central Government Agency. Availability of the data from such AWS shall be ensured as specified by the appropriate Load Dispatch Centre and other Central Government agencies in accordance with the provisions of Indian Electricity Grid Code and instructions from the appropriate Load Dispatch Centre from time to time.

7.2.2 Online arrangement would have to be made by the RPD for submission of above data from RE Project regularly for the entire Term of this Agreement to the RLDC, SECI and the concerned Ministry or concerned agency as per applicable regulation / directions.

7.2.3 Reports on above parameters on monthly basis (or as required by regulation / guidelines) shall be submitted by the RPD to Ministry of New and Renewable Energy/

SECI/ National Institute of Solar Energy /or authorized agency of SECI/ MNRE for entire Term of this Agreement.

ARTICLE 8: INSURANCES

8.1 ***Insurance***

8.1.1 The RPD shall effect and maintain or cause to be effected and maintained, at its own cost and expense, throughout the Term of CfDA, Insurances against such risks to keep the Project in good condition and shall take Industrial All Risk insurance policy covering risks against any loss or damage, with such deductibles and with such endorsements and co-insured(s), which the Prudent Utility Practices would ordinarily merit maintenance of and as required under the Financing Agreements, Implementation and Support Agreement (if applicable) and under the applicable laws.

8.2 ***Application of Insurance Proceeds***

8.2.1 In case of the Project not being implemented through Financing Agreement(s), save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Power Project or any part of the Power Project shall be first applied to reinstatement, replacement or renewal of such loss or damage.

In case of the Project being financed through Financing Agreement(s), save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Power Project or any part of the Power Project shall be applied as per such Financing Agreements.

8.2.2 If a Force Majeure Event renders the Project no longer economically and technically viable and the insurers under the Insurances make payment on a "total loss" or equivalent basis, SECI shall have claim on such proceeds of such Insurance limited to outstanding dues of SECI in line with Article 9 of this Agreement.

8.3 ***Effect on liability of SECI***

8.3.1 Notwithstanding any liability or obligation that may arise under this Agreement, any loss, damage, liability, payment, obligation or expense which is insured or not or for which the RPD can claim compensation, under any Insurance shall not be charged to or payable by SECI. It is for the RPD to ensure that appropriate insurance coverage is taken for payment by the insurer for the entire loss and there is no under insurance or short adjustment etc.

ARTICLE 9: CfD SETTLEMENT MECHANISM

9.1 Subsequent to commencement of power supply by the RPD on the terms contained in this Agreement, the RPD shall be entitled for CfD settlement calculated under this Article against the Strike Price of Rs. …………../ kWh [Insert the Tariff discovered through the bidding process conducted by SECI], and the Strike Price shall be fixed for the entire term of this Agreement.

9.2 The CfD settlement shall be carried out based on the bidding activities undertaken by RPD on the Power Exchanges. The settlement mechanism shall be governed by the following methodology:

i. The RPD shall bid on the Market and the Power Exchange as identified in line with Article 4.4, for sale of power during Peak Hours, subject to sale of 2 MWh per MW Contracted Capacity on a daily basis.

ii. For each day, based on the bids cleared on the Exchanges, a Market Clearing Price (MCP) shall be determined by the respective Power Exchange for the respective time-blocks, as identified by the RPD for power sale under this RfS/CfDA, in the Market(s). Based on the discovery of MCP for the power sold by the RPD, the difference between MCP and the Strike Price (SP) as per the CfDA shall be calculated, individually for each time-block as identified by the RPD. Thus, considering the time-blocks being of 15-minute duration, as per the present regulations, a total of 8 such differences will be calculated on a daily basis.

iii. In case the difference between MCP and SP in any time-block is positive, it will be termed as a “profit/ gain” to the RPD. Vice-versa, in case the above difference in negative, it will be termed as a “loss” to the RPD.

iv. <u>Sharing of Profit/ Gains and Losses:</u> Profit/ Gains and losses shall be shared between the RPD and the CfD Stabilization Fund (“Pool”), in a dynamic grading as follows:

Slab	MCP Range (INR/kWh)	Gain/Loss sharing Ratio (CfD Pool : RPD)
Slab-1	(SP−0.5) ≤ MCP ≤ (SP+1.5)	70 : 30
Slab-2	(SP−1) ≤ MCP < (SP−0.5) or (SP+1.5) < MCP ≤ (SP+3)	50 : 50
Slab-3	MCP < (SP−1) or MCP > (SP+3)	30 : 70

Illustration: In a particular time block, in case the SP is Rs. 5.7/kWh and MCP is Rs. 6.2/kWh, since the MCP falls in Slab-1 as per the above table, the profit/ gain will be split in a ratio of 70:30 between the Pool and the RPD. Accordingly, with the gain being Rs. 0.5/kWh, Rs. 0.35/kWh shall be credited to the Pool and the remaining amount of Rs. 0.15/kWh shall be the earning of the RPD.

Similarly, in a different time block, in case the SP is Rs. 5.7/kWh and MCP is Rs. 3/kWh, since the MCP falls in Slab-3, the loss will be split in a ratio of 30:70 between the Pool and the RPD. Accordingly, with the loss being Rs. 2.7/kWh, Rs. 0.81/kWh shall be paid to the RPD by SECI towards partial recouping of loss by the Pool, and the remaining loss of Rs. 1.89/kWh shall be borne by the RPD. While calculating the gain and loss, rounding off the difference between MCP and SP shall not be carried out. The settlement of gains or losses between SECI and RPDs will be inclusive of applicable taxes, if any.

v. CfD Pool/ CfD Stabilization Fund: Under this Agreement, a stabilization fund of INR 76 Cr. has been created as the CfD Pool. This corpus will serve as a revolving buffer to manage pay-ins and pay-outs under the CfD settlement framework under this Agreement. Interest earnings, Contract Administration Charges, penalties and liquidated damages under this Agreement shall be accrued to this Pool.

vi. Sale of RECs in the market:

a. For the quantum of electricity sold in the brown markets (such as DAM/RTM), RECs will be issued to the RPD as per applicable regulations. These RECs issued to the RPD shall be sold by the RPD in the Market, and 50% of the revenues generated from the sale of these RECs shall be deposited into the CfD pool.

b. The RPD shall sell the RECs issued to it, within 3 months from the date of issuance of such REC. 50% of the revenues/ proceeds from such sale shall be remitted through SECI to CfD Pool not later than 15 days of sale of RECs.

c. In case of delay in compliance of the any of the two requirements as per clause b above, the RPD shall be levied a penalty calculated at the rate of 50% of the highest sell price of REC in the Market among all the Power

Exchanges in their respective period as per clause b above. This penalty amount will be credited to the CfD Pool.

vii. CfD Mechanism shall be available only for the volume cleared by the RPD in the Market(s) on a daily basis. The calculations of gains and losses shall be carried out on a Time-Block basis, and settlement of the same shall be done on monthly basis.

9.3 The RPD shall commence sale of power from the early part/ full commissioned capacity on/through Power Exchanges, and the corresponding CfD settlement of such energy shall be undertaken by SECI with respect to the Strike Price indicated at Article 9.1.

ARTICLE 10: BILLING AND PAYMENT

10.1 *General*

10.1.1 CfD Stabilization Fund/ Pool to be set up in accordance with the Guidelines shall act as payment security from SECI to the RPD.

10.1.2 From the commencement of supply of power under this Agreement, SECI shall undertake settlement of gains and losses through the Pool, on a time-block basis which shall be reconciled on a monthly basis, subject to the adjustments as per provisions of this Agreement including Article 6, in accordance with Article 9. All payments on account of the CfD settlement shall be in Indian Rupees. For each Day, RPD shall be required to share the Daily Obligation Report/ any other document issued by Power Exchange, demonstrating quantum of energy cleared and MCP for the sale of energy on Power Exchange, not later than the immediately next Day of the Day on which sale of energy has been carried out by RPD.

10.1.3 For the purpose of payment of the bills raised by the RPD(s), in case Energy Account is published on cumulative basis, CfD settlement for the RPD(s) shall be determined as per the segregation of the energy account provided by all the RPDs as per their schedule (to be provided in the form of annexure that will be attested by all the RPDs).

10.1.4 The RPD shall be required to make arrangements and payments for import of energy and other charges (if any) required for sale of the energy contracted under this agreement during Peak Hours as per applicable regulations.

10.1.5 The parties acknowledge and accept that the obligation of SECI under this Agreement is limited to carrying out CfD settlement as per the mechanism brought out under Article 9. With actual sale of power taking place in the Market at the Power Exchanges, SECI shall bear no responsibility for the payment of MCP to the RPD for the units sold in any particular time-block, which shall be governed by applicable regulations. CfD settlement shall be carried out under the assumption that the RPD has received its due payment against the MCP for its volume cleared in any time-block.

10.1.6 The phrase "Tariff Payment" under this Article shall refer to the payments made by SECI/RPD as a result of the CfD settlement calculations carried out on monthly basis.

10.2 *Delivery and Content of Monthly Bills/Supplementary Bills*

10.2.1 In the case of net losses during a Contract Month, the RPD shall issue to SECI hard copy of a signed Monthly Bill/Supplementary Bill for the immediately preceding Contract Month/relevant period based on the Daily Obligation Report/ any other documents issued by Power Exchange, detailing the quantum and MCP of the sale of energy, or the Energy Accounts issued by RPC along with all relevant documents (payments made by RPD for drawl of power, payment of reactive energy charges, Metering charges or any other charges as per guidelines of SERC/CERC, if applicable). It is hereby clarified that SECI shall not bear any transmission charges, losses, transaction fees, RLDC/NLDC/SLDC charges etc. wherever applicable in the course of implementation of this CfDA. SECI's role under this Agreement is limited to carry out settlement of CfD with respect to the MCP and SP.

10.2.2 In the case of net gains/ profits during a Contract Month, SECI shall raise appropriate invoice/ Debit Note to the RPD through e-mail based on the Daily Obligation Report/ any other documents issued by Power Exchange, detailing the quantum and MCP of the sale of energy, or the Energy Accounts issued by RPC along with all relevant documents.

10.2.3 All charges as per this Agreement for the energy supplied in the Power Exchange for the relevant Month based on Daily Obligation Report/ any other documents issued by Power Exchange or Energy Accounts issued by RPC/ any other competent authority shall be borne by the RPD. Energy drawn from the grid will be regulated as per the applicable Central/State regulations and other relevant document as desired.

10.2.4 As per applicable regulation(s) of the Appropriate Commission(s)/ respective SERC(s), all charges pertaining to obtaining open access and scheduling of power, if any, for sale of power in Market on Power Exchanges, shall be borne by the RPD.

10.3 ***Payment of Monthly Bills***

10.3.1 SECI/ RPD (as applicable) shall pay the amount payable under the Monthly Bill/Supplementary Bill by the Due Date to such account of the RPD/ SECI, as shall have been previously notified by the RPD/ SECI as below.

10.3.2 All payments required to be made by SECI under this Agreement shall also include any deduction or set off for:

i) deductions required by the Law;

ii) shortfall in meeting the assured Peak supply requirement; and

iii) amount claimed by SECI, if any, from the RPD, will be adjusted from the monthly energy payment. In case of any excess payment adjustment, the interest applicable will be same as rate of Late Payment surcharge will be applicable on day-to-day basis.

The RPD shall open a bank account (the "RPD's Designated Account") for all Tariff Payments (including Supplementary Bills) to be made by SECI to the RPD, and notify

SECI of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. SECI shall also designate a bank account at New Delhi ("SECI Designated Account") for payments to be made by the RPD to SECI, if any, and notify the RPD of the details of such account ninety (90) Days before the SCD. SECI and the RPD shall instruct their respective bankers to make all payments under this Agreement to the RPD's Designated Account or SECI's Designated Account, as the case may be, and shall notify either Party of such instructions on the same day.

10.3.3 **Late Payment Surcharge**

In the event of delay in payment of a Monthly Bill by RPD/ SECI beyond the Due Date, a Late Payment Surcharge shall be payable by RPD/ SECI to the SECI/ RPD on the outstanding payment, at the base rate of Late Payment Surcharge applicable for the period for the first month of default. "Base rate of Late Payment Surcharge" means the marginal cost of funds based lending rate for one year of the State Bank of India, as applicable on the 1st April of the financial year in which the period lies, plus five percent (500 bps) and in the absence of marginal cost of funds based lending rate, any other arrangement that substitutes it, which the Central Government may, by notification, in the Official Gazette, specify.

The Late Payment Surcharge shall be claimed by the SECI/ RPD through the Supplementary Bill. Late Payment Surcharge shall be payable on the outstanding payment at the base rate of Late Payment Surcharge applicable for the period for the first month of default. The rate of Late Payment Surcharge for the successive months of default shall increase by 0.5 percent (50 bps) for every month of delay provided that the Late Payment Surcharge shall not be more than 3 percent higher than the base rate at any time.

If the period of default lies in two or more financial years, the base rate of Late Payment Surcharge shall be calculated separately for the periods falling in different years.

10.4 **Payment Security Mechanism**

(a) Letter of Credit (LC) from RPD to SECI

10.4.1 RPD shall provide to SECI, in respect of payment of its Monthly Bills and/or Supplementary Bills, a monthly unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained which may be drawn upon by SECI in accordance with this Article.

10.4.2 Before the start of power supply, RPD shall, through a scheduled bank, open a Letter of Credit in favour of SECI, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of twelve (12) Months and shall be renewed appropriately, for an amount equal to _______ for each Contract Month.

{Enter the amount calculated as follows:

LC = 2000 x Contracted Capacity (MW) x [C – SP] x 30

where, C is the highest of the following:

(i) Rs. 10/kWh

(ii) highest of MCP ceiling stipulated by the Appropriate Commission in GDAM/ DAM/ RTM of Power Exchanges for the previous Contract Month}

In case of revision in MCP ceiling during any Month, the amount of LC shall be required to be enhanced by the RPD prior to commencement of the subsequent Month.

10.4.3 Provided that SECI shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill, and shall not make more than one drawl in a Month.

10.4.4 Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 10.4.2 due to any reason whatsoever, RPD shall restore such shortfall before next drawl.

10.4.5 RPD shall cause the scheduled bank issuing the Letter of Credit to intimate SECI, in writing regarding establishing of such irrevocable Letter of Credit.

10.4.6 RPD shall ensure that the Letter of Credit shall be renewed not later than its current expiry date.

10.4.7 All costs relating to opening, maintenance of the Letter of Credit shall be borne by the RPD.

10.4.8 If RPD fails to pay undisputed Monthly Bill or Supplementary Bill or a part thereof within and including the Due Date, then, subject to Article 10.4.6 & 10.5.2, SECI may draw upon the Letter of Credit, and accordingly the bank shall pay, an amount equal to such Monthly Bill or Supplementary Bill or part thereof, in accordance with Article 10.4.3 above.

(b) CfD Stabilization Fund from SECI to RPD:

It is clarified that the Stabilization Fund set up by the Government and maintained by SECI shall act as the Payment Security Mechanism for any amount payable by SECI to the RPD under this CfDA.

10.5 Disputed Bill

10.5.1 If SECI/ RPD does not dispute a Monthly Bill or a Supplementary Bill raised by the RPD/ SECI within ten (10) days of receiving such Bill shall be taken as conclusive.

10.5.2 If SECI/ RPD disputes the amount payable under a Monthly Bill or a Supplementary Bill, as the case may be, it shall pay undisputed amount or 50% of the invoice amount, whichever is higher, and it shall within ten (10) days of receiving such Bill, issue a notice (the "Bill Dispute Notice") to the Invoicing Party setting out:

i) the details of the disputed amount;

ii) its estimate of what the correct amount should be; and

iii) all written material in support of its claim.

10.5.3 If the Invoicing Party agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.2, the Invoicing Party shall revise such Bill and present along with the next Monthly Bill. In such a case, excess amount shall be refunded along with interest at the same rate as Late Payment Surcharge, which shall be applied from the date on which such excess payment was made by the Disputing Party to the Invoicing Party and up to and including the date on which such payment has been received as refund.

10.5.4 If the Invoicing Party does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 10.5.2, it shall, within five (5) days of receiving the Bill Dispute Notice, furnish a notice (Bill Disagreement Notice) to Disputing Party providing:

i) reasons for its disagreement;

ii) its estimate of what the correct amount should be; and

iii) all written material in support of its counter-claim.

10.5.5 Upon receipt of the Bill Disagreement Notice by Disputing Party under Article 10.5.4, authorized representative(s) or a director of the board of directors/ member of board of the SECI and RPD shall meet and make best endeavours to amicably resolve such dispute within fifteen (15) days of receipt of the Bill Disagreement Notice.

10.5.6 If the Parties do not amicably resolve the Dispute within fifteen (15) days of receipt of Bill Disagreement Notice pursuant to Article 10.5.4, the matter shall be referred to Dispute resolution in accordance with Article 16.

10.5.7 For the avoidance of doubt, it is clarified the despite a Dispute regarding an invoice, the Disputing Party shall, without prejudice to its right to Dispute, be under an obligation to make payment of undisputed amount or 50% of the invoice amount, whichever is higher, in the Monthly Bill to the Invoicing Party.

10.6 Quarterly and Annual Reconciliation

10.6.1 The Parties acknowledge that all payments made against Monthly Bills and Supplementary Bills shall be subject to quarterly reconciliation within 30 days of the end of the quarter at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year within 30 days to take into account the Energy Accounts, CfD settlement payments, Late Payment Surcharge, or any other reasonable circumstance provided under this Agreement.

10.6.2 The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the RPD and SECI shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the RPD shall make appropriate adjustments in the next Monthly Bill. Late Payment Surcharge/ interest shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable. Any Dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of Article 16.

10.7 *Payment of Supplementary Bill*

10.7.1 SECI/RPD may raise a ("Supplementary Bill") for payment on account of adjustments required by the Energy Accounts (if applicable), Late Payment Surcharge and such Supplementary Bill shall be paid by the other Party.

10.7.2 SECI shall remit all amounts due under a Supplementary Bill raised by the RPD to the RPD’s Designated Account by the Due Date, except open access charges, RLDC or scheduling charges and transmission charges/losses, etc. as applicable. No Late Payment Surcharge will be applicable other than that on the monthly energy payment and associated debit and credit note.

ARTICLE 11: FORCE MAJEURE

11.1 *Definitions*

11.1.1 In this Article, the following terms shall have the following meanings:

11.2 *Affected Party*

11.2.1 An affected Party means Buyer or the RPD whose performance has been affected by an event of Force Majeure.

11.3 *Force Majeure*

11.3.1 A 'Force Majeure' means any event or circumstance or combination of events those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:

a) Act of God, including, but not limited to lightning, drought, fire and explosion (to the extent originating from a source external to the site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon or tornado if and only if it is declared / notified by the competent state / central authority / agency (as applicable);

b) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action if and only if it is declared / notified by the competent state / central authority / agency (as applicable); or

c) radioactive contamination or ionising radiation originating from a source in India or resulting from another Force Majeure Event mentioned above excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Power Project by the Affected Party or those employed or engaged by the Affected Party.

d) any event or circumstances having impact analogous to that on account of any of the events as specified under Article 11.3.1.(a), 11.3.1.(b) and 11.3.1.(c).

11.4 *Force Majeure Exclusions*

11.4.1 Force Majeure shall not include (i) any event or circumstance which is within the reasonable control of the Parties and (ii) the following conditions, except to the extent that they are consequences of an event of Force Majeure:

a. Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts or consumables for the Power Project;

b. Delay in the performance of any contractor, sub-contractor or their agents;

c. Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;

d. Strikes at the facilities of the Affected Party;

e. Insufficiency of finances or funds or the agreement becoming onerous to perform; and

f. Non-performance caused by, or connected with, the Affected Party's:

   i. Negligent or intentional acts, errors or omissions;

   ii. Failure to comply with an Indian Law; or

   iii. Breach of, or default under this Agreement.

11.5 ***Notification of Force Majeure Event***

11.5.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than fifteen (15) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement. The other Party shall respond to the claim of the Affected Party within 15 days of receipt of the said intimation of Force Majeure.

11.5.2 Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the Force Majeure Event.

11.5.3 The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.

11.6 ***Duty to Perform and Duty to Mitigate***

11.6.1 To the extent not prevented by a Force Majeure Event pursuant to Article 11.3, the Affected Party shall continue to perform its obligations pursuant to this Agreement. The Affected Party shall use its reasonable efforts to mitigate the effect of any Force Majeure Event as soon as practicable.

11.7 ***Available Relief for a Force Majeure Event***

11.7.1 Subject to this Article 11:

(a) no Party shall be in breach of its obligations pursuant to this Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event;

(b) every Party shall be entitled to claim relief in relation to a Force Majeure Event in regard to its obligations, including but not limited to those specified under Article 4.5;

(c) For avoidance of doubt, neither Party's obligation to make payments of money due and payable prior to occurrence of Force Majeure events under this Agreement shall be suspended or excused due to the occurrence of a Force Majeure Event in respect of such Party.

(d) Provided that no payments shall be made by either Party affected by a Force Majeure Event for the period of such event on account of its inability to perform its obligations due to such Force Majeure Event.

ARTICLE 12: CHANGE IN LAW

12.1 No relief shall be admissible for any gain/ loss incurred by either Party on account of Change in Law.

ARTICLE 13: EVENTS OF DEFAULT AND TERMINATION

13.1 *RPD Event of Default*

13.1.1 The occurrence and/or continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by SECI of its obligations under this Agreement, shall constitute an RPD Event of Default:

(i) the failure to commence supply of power up to the Contracted Capacity or failure to sell energy in the Market on/through Power Exchange by the end of the period specified in Article 4, or failure to maintain minimum monthly assured Peak supply in every Contract Month during a period of 2 (two) consecutive Contract Years, throughout the Term of this Agreement, or if

a) the RPD assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Power Project in contravention of the provisions of this Agreement; or

b) the RPD transfers or novates any of its rights and/ or obligations under this agreement, in a manner contrary to the provisions of this Agreement; except where such transfer

- is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement or
- is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee;

(ii) if (a) the RPD becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or (b) any winding up or bankruptcy or insolvency order is passed against the RPD, or (c) the RPD goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, provided that a dissolution or liquidation of the RPD will not be a RPD Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to the RPD and expressly assumes all obligations of the RPD under this Agreement and is in a position to perform them; or

(iii) the RPD fails to pay the amount due to be paid to SECI (with respect to a Monthly Bill or a Supplementary Bill), subject to Article 10.5, for a period of forty-five (45) days after the Due Date and SECI is unable to recover the amount outstanding to SECI through the Letter of Credit,

(iv) the RPD repudiates this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from SECI in this regard; or

(v) except where due to any SECI's failure to comply with its material obligations, the RPD is in breach of any of its material obligations pursuant to this Agreement, and such material breach is not rectified by the RPD within thirty (30) days of receipt of first notice in this regard given by SECI; or

(vi) change in shareholding of the RPD before the specified time frame as mentioned in Article 4.1.1 of this Agreement, without prior consent of SECI; or ceding of control by the promoters of M/s ……………….. [Insert name of the bidding company which was issued LoA by SECI under the RfS] within 1 year of SCD, without prior consent of SECI; or

(vii) occurrence of any other event which is specified in this Agreement to be a material breach/ default of the RPD; or

(viii) concealment of material information or making a wrong statement or misrepresentation of facts, etc. as per Clause 24.3 and 24.4 of the RfS;

(ix) Revoking of connectivity of the RPD on account of non-compliance by the RPD.

13.2 ***SECI Event of Default***

13.2.1 The occurrence and the continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by the RPD of its obligations under this Agreement, shall constitute the Event of Default on the part of defaulting SECI:

(i) SECI fails to pay (with respect to a Monthly Bill or a Supplementary Bill), subject to Article 10.5, for a period of forty-five (45) days after the Due Date,

(ii) SECI repudiates this Agreement and does not rectify such breach even within a period of sixty (60) days from a notice from the RPD in this regard; or

(iii) except where due to any RPD's failure to comply with its obligations, SECI is in material breach of any of its obligations pursuant to this Agreement, and such material breach is not rectified by SECI within sixty (60) days of receipt of notice in this regard from the RPD to SECI; or

(iv) if

- SECI becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of sixty (60) days, or
- any winding up or bankruptcy or insolvency order is passed against SECI, or

(v) SECI goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law, provided that it shall not constitute a SECI Event of Default, where such dissolution or liquidation of SECI is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and has creditworthiness similar to SECI and expressly assumes all obligations of SECI and is in a position to perform them; or;

(vi) Occurrence of any other event which is specified in this Agreement to be a material breach or default of SECI.

13.3 ***Procedure for cases of RPD Event of Default***

13.3.1 Upon the occurrence and continuation of any RPD Event of Default under Article 13.1, SECI shall have the right to deliver to the RPD, with a copy to the representative of the lenders to the RPD with whom the RPD has executed the Financing Agreements, a notice stating its intention to terminate this Agreement (SECI Preliminary Default Notice), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.

13.3.2 Following the issue of a SECI Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.

13.3.3 During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.

13.3.4 Within a period of seven (7) days following the expiry of the Consultation Period unless the Parties shall have otherwise agreed to the contrary or the RPD Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, SECI may terminate this Agreement by giving a written Termination Notice of sixty (60) days to the RPD.

13.3.5 Subject to the terms of this Agreement, upon occurrence of a RPD Event of Default under this Agreement, the RPD shall be liable to pay to SECI, penalty, as provided in Article 4.6 of the CfDA for failure to commence supply of power within the stipulated time and Article 4.4.1 for failure to supply power in terms of the CfDA. For other cases, the RPD shall be liable to pay to SECI, damages, equivalent to 6 (six) months, or balance CfDA period, whichever is less, of the average gain shared by the RPD with the Pool under the CfD settlement mechanism during the 2 consecutive Contract Years which have triggered the Event of Default corresponding to the mandated daily supply of 2 MWh for each 1 MW Contracted Capacity.

SECI shall have the right to recover the said damages by way of forfeiture of bank guarantee/Surety Bond/ Letter of Credit, if any, without prejudice to resorting to any other legal course or remedy.

In addition to the levy of damages as aforesaid, the lenders in concurrence with SECI, may exercise their rights, if any, under Financing Agreements, to seek substitution of the RPD by a selectee for the residual period of the Agreement, for the purpose of securing the payments of the total debt amount from the RPD and performing the obligations of the RPD. However, in the event the lenders are unable to substitute the defaulting RPD within the stipulated period, SECI may terminate the CfDA. Provided that any substitution under this Agreement can only be made with the prior consent of SECI including the condition that the selectee meets the eligibility requirements of Request for Selection (RfS) issued by SECI and accepts the terms and conditions of this Agreement.

13.3.6 The lenders in concurrence with SECI, may seek to exercise right of substitution under Article 13.3.5 by an amendment or novation of the CfDA in favour of the selectee. The RPD shall cooperate with SECI to carry out such substitution and shall have the duty and obligation to continue to operate the Power Project in accordance with this CfDA till such time as the substitution is finalized. In the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions leading to signing of fresh CfDA with a new entity, an amount of Rs. 10 Lakh per Project+ applicable taxes per transaction as facilitation fee (non-refundable) shall be deposited by the RPD to SECI.

13.3.7 In the event of termination of CfDA on account of Event of Default by the RPD, any damages or charges payable to the STU/ CTU, for connectivity of the Project, shall be borne by RPD.

13.4 *Procedure for cases of SECI Event of Default*

13.4.1 Upon the occurrence and continuation of any SECI Event of Default specified in Article 13.2, the RPD shall have the right to deliver to SECI, a RPD Preliminary Default Notice, which notice shall specify in reasonable detail the circumstances giving rise to its issue.

13.4.2 Following the issue of a RPD Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.

13.4.3 During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.

13.4.4 After a period of two hundred ten (210) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed to the contrary or SECI Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, SECI under intimation to the RPD shall, subject to the prior consent of the RPD, novate its part of the CfDA to any third party, including its Affiliates within the stipulated period. In the event the aforesaid novation is not acceptable to the RPD, or if no offer of novation is made by SECI within the stipulated period, then the RPD may terminate the CfDA and at its discretion require SECI to pay to the RPD, damages, equivalent to 6 (six) months, or balance CfDA period, whichever is less, of the average loss shared by the Pool with the RPD under the CfD settlement mechanism during the 2 consecutive Contract Years which have triggered the Event of Default corresponding to the mandated daily supply of 2 MWh for each 1 MW Contracted Capacity.

13.5 Termination due to Force Majeure

If the Force Majeure Event or its effects continue to be present beyond the period as specified in Article 4.5.3, termination of this Agreement shall be caused solely at the discretion of SECI and there shall not be any liability (to SECI) arising out of such termination. In such an event, this Agreement shall terminate on the date of such Termination Notice issued by SECI without any further liability to either Party from the date of such termination.

ARTICLE 14: LIABILITY AND INDEMNIFICATION

14.1 *Indemnity*

14.1.1 The RPD shall indemnify, defend and hold SECI harmless against:

a) any and all third-party claims against SECI for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the RPD of any of its obligations under this Agreement or due to the RPD's willful misconduct, gross negligence or fraudulent behaviour or violations of Applicable Law; and

b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest ('Indemnifiable Losses') actually suffered or incurred by SECI from third party claims arising by reason of a breach by the RPD of any of its obligations under this Agreement, (provided that this Article 14 shall not apply to such breaches by the RPD, for which specific remedies have been provided for under this Agreement).

14.1.2 SECI shall indemnify, defend and hold the RPD harmless against:

a) any and all third-party claims against the RPD, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by SECI of any of its obligations under this Agreement; and

b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest ('Indemnifiable Losses') actually suffered or incurred by the RPD from third party claims arising by reason of a breach by SECI of any of its obligations under this Agreement.

14.2 Procedure for claiming Indemnity

14.2.1 ***Third party claims***

a. Where the Indemnified Party is entitled to indemnification from the Indemnifying Party pursuant to Article 14.1.1(a) or 14.1.2(a), the Indemnified Party shall promptly notify the Indemnifying Party of such claim referred to in Article 14.1.1(a) or 14.1.2(a) in respect of which it is entitled to be indemnified.

Such notice shall be given as soon as reasonably practicable after the Indemnified Party becomes aware of such claim. The Indemnifying Party shall be liable to settle the indemnification claim within thirty (30) days of receipt of the above notice. Provided however that, if:

i) the Parties choose to refer the dispute in accordance with Article 16.3.2; and

ii) the claim amount is not required to be paid/ deposited to such third party pending the resolution of the Dispute,

The Indemnifying Party shall become liable to pay the claim amount to the Indemnified Party or to the third party, as the case may be, promptly following the resolution of the Dispute, if such Dispute is not settled in favour of the Indemnified Party.

b. The Indemnified Party may contest the claim by referring to the Appropriate Commission for which it is entitled to be Indemnified under Article 14.1.1(a) or 14.1.2(a) and the Indemnifying Party shall reimburse to the Indemnified Party all reasonable costs and expenses incurred by the Indemnified party. However, such Indemnified Party shall not settle or compromise such claim without first getting the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

An Indemnifying Party may, at its own expense, assume control of the defence of any proceedings brought against the Indemnified Party if it acknowledges its obligation to indemnify such Indemnified Party, gives such Indemnified Party prompt notice of its intention to assume control of the defence, and employs an independent legal counsel at its own cost that is reasonably satisfactory to the Indemnified Party.

14.3 ***Indemnifiable Losses***

14.3.1 Where an Indemnified Party is entitled to Indemnifiable Losses from the Indemnifying Party pursuant to Article 14.1.1(b) or 14.1.2(b), the Indemnified Party shall promptly notify the Indemnifying Party of the Indemnifiable Losses actually incurred by the Indemnified Party. The Indemnifiable Losses shall be reimbursed by the Indemnifying Party within thirty (30) days of receipt of the notice seeking Indemnifiable Losses by the Indemnified Party. In case of non-payment of such losses after a valid notice under this Article 14.3, such event shall constitute a payment default under Article 13.

14.4 ***Limitation on Liability***

14.4.1 Except as expressly provided in this Agreement, neither the RPD nor SECI nor its/ their respective officers, directors, agents, employees or affiliates (or their officers, directors, agents or employees), shall be liable or responsible to the other Party or its affiliates, officers, directors, agents, employees, successors or permitted assigns or their respective insurers for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of power generation or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of SECI, the RPD or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.

14.4.2 SECI shall have no recourse against any officer, director or shareholder of the RPD or any Affiliate of the RPD or any of its officers, directors or shareholders for such claims excluded under this Article. The RPD shall have no recourse against any officer, director or shareholder of SECI, or any affiliate of SECI or any of its officers, directors or shareholders for such claims excluded under this Article.

14.5 SECI's Liability

14.5.1 Notwithstanding anything to the contrary contained in this Agreement, the Parties acknowledge and accept that the SECI is a nodal agency for implementing the CfD mechanism, including operation of the CfD Pool to be established under the Guidelines, therefore, the performance of the obligations of the SECI under this Agreement shall be limited to settlement under CfD mechanism.

14.6 Duty to Mitigate

14.6.1 The Parties shall endeavor to take all reasonable steps so as to mitigate any loss or damage which has occurred under this Article 14.

ARTICLE 15: ASSIGNMENTS AND CHARGES

15.1 *Assignments*

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any Party, except to the Project Lenders or Lender's Representative as security for their debt under the Financing Agreements, other than by mutual consent between the Parties to be evidenced in writing. Such assignment shall be agreed to by SECI subject to the compliance of provisions contained in this Agreement and more specifically to the provisions of Article 4.1.1 of this Agreement. In no case, such assignment shall be permissible prior to COD under this Agreement.

Provided that, SECI shall permit assignment of any of RPD's rights and obligations under this Agreement in favour of the lenders to the RPD, if required under the Financing Agreements.

Provided that, such consent shall not be withheld if SECI seeks to transfer to any transferee all of its rights and obligations under this Agreement.

The enforcement of the rights and obligation between the RPD and SECI provided in this Agreement shall not be treated as an assignment but an enforcement of the terms agreed under this Agreement.

Provided further that any successor(s) or permitted assign(s) identified after mutual agreement between the Parties may be required to execute a new agreement on the same terms and conditions as are included in this Agreement. An amount of Rs. 5 Lakh per Project + applicable taxes per transaction as Facilitation Fee (non-refundable) shall be deposited by the RPD to SECI. Provided further that, such consent shall not be withheld by the RPD if SECI seeks to transfer to any affiliate all of its rights and obligations under this Agreement.

In the event of Change in Shareholding/Substitution of Promoters triggered by the Financial Institutions leading to signing of fresh CfDA with a New Entity, an amount of Rs. 10 Lakh per Project+ applicable taxes per transaction as Facilitation Fee (non-refundable) shall be deposited by the RPD to SECI.

15.2 *Permitted Charges*

15.2.1 RPD shall not create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement, other than as set forth in Article 15.1 and the Guidelines.

ARTICLE 16: GOVERNING LAW AND DISPUTE RESOLUTION

16.1 *Governing Law*

16.1.1 This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in Delhi.

16.2 *Amicable Settlement and Dispute Resolution*

16.2.1 ***Amicable Settlement***

i. Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement ("Dispute") by giving a written notice (Dispute Notice) to the other Party, which shall contain:

   (a) a description of the Dispute;

   (b) the grounds for such Dispute; and

   (c) all written material in support of its claim.

ii. The other Party shall, within thirty (30) days of issue of Dispute Notice issued under Article 16.2.1(i), furnish:

   (a) counter-claim and defences, if any, regarding the Dispute; and

   (b) all written material in support of its defences and counter-claim.

iii. Within thirty (30) days of issue of Dispute Notice by any Party pursuant to Article 16

   (i) if the other Party does not furnish any counter claim or defence under Article 16

   (ii) or thirty (30) days from the date of furnishing counter claims or defence by the other Party, both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days from the later of the dates mentioned in this Article 16.2.1.

   (iii) the Dispute shall be referred for dispute resolution in accordance with Article 16.3.

16.3 *Dispute Resolution*

16.3.1 For the purposes of this Agreement, CERC shall be the Appropriate Commission for adjudication of any dispute arising out of or in relation to the CfD settlement mechanism, settlement calculations, payment obligations, and related provisions under this Agreement. In case of any dispute emerging out of ambiguity in the Guidelines, the matter shall be referred to MNRE and the decision of MNRE shall be final and binding of the Parties. All other disputes shall be resolved by the Dispute Resolution Committee set up by the Government, failing which by arbitration under the Indian Arbitration and Conciliation Act, 1996.

16.3.2 SECI shall be entitled to co-opt the lenders (if any) as a supporting party in such proceedings before the Appropriate Commission.

16.4 *Parties to Perform Obligations*

16.4.1 Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission and save as the Appropriate Commission may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.

ARTICLE 17: MISCELLANEOUS PROVISIONS

17.1 *Amendment*

17.1.1 This Agreement may only be amended or supplemented by a written agreement between the Parties.

17.2 *Third Party Beneficiaries*

17.2.1 Subject to provisions contained in this agreement, this Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns and shall not be construed as creating any duty, standard of care or any liability to, any person not a party to this Agreement.

17.3 *Waiver*

17.3.1 No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorised representative of such Party.

17.3.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement nor time or other indulgence granted by one Party to the other Party shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement, which shall remain in full force and effect.

17.4 *Confidentiality*

17.4.1 The Parties undertake to hold in confidence this Agreement and not to disclose the terms and conditions of the transaction contemplated hereby to third parties, except:

a) to their professional advisors;

b) to their officers, contractors, employees, agents or representatives, financiers, who need to have access to such information for the proper performance of their activities; or

c) disclosures required under Law, without the prior written consent of the other Party.

17.5 *Severability*

17.5.1 The invalidity or unenforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.

17.6 *Notices*

17.6.1 All notices or other communications which are required to be given under this Agreement shall be in writing and in the English language.

17.6.2 If to the RPD, all notices or other communications which are required must be delivered personally or by registered post or any other method duly acknowledged to the addresses below:

Address :

Attention :

Email :

Telephone No. :

17.6.3 If to SECI, all notices or communications must be delivered personally or by registered post or any other mode duly acknowledged to the address(es) below:

Address :

Attention :

Email :

Telephone No. :

17.6.4 All notices shall be deemed validly delivered upon receipt evidenced by an acknowledgement of the recipient, unless the Party delivering the notice can prove in case of delivery through the registered post that the recipient refused to acknowledge the receipt of the notice despite efforts of the postal authorities.

17.6.5 Any Party may by notice of at least fifteen (15) days to the other Party change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

17.7 *Language*

17.7.1 All agreements, correspondence and communications between the Parties relating to this Agreement and all other documentation to be prepared and supplied under the Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with English language.

17.7.2 If any of the agreements, correspondence, communications or documents are prepared in any language other than English, the English translation of such agreements, correspondence, communications or documents shall prevail in matters of interpretation.

17.8 *Restriction of Shareholders / Owners' Liability*

17.8.1 Parties expressly agree and acknowledge that none of the shareholders of the Parties hereto shall be liable to the other Parties for any of the contractual obligations of the concerned Party under this Agreement. Further, the financial liabilities of the shareholder(s) of each Party to this Agreement, shall be restricted to the extent provided in the Indian Companies Act, 2013.

17.9 *Taxes and Duties*

17.9.1 The RPD shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the RPD, contractors or their employees that are required to be paid by the RPD as per the Law in relation to the execution of the Agreement and for supplying power on/ through Power Exchanges as per the terms of this Agreement.

17.9.2 SECI shall be indemnified and held harmless by the RPD against any claims that may be made against SECI in relation to the matters set out in Article 17.9.1.

17.9.3 SECI shall not be liable for any payment of, taxes, duties, levies, cess whatsoever for discharging any obligation of the RPD by SECI on behalf of RPD.

17.10 *Independent Entity*

17.10.1The RPD shall be an independent entity performing its obligations pursuant to the Agreement.

17.10.2 Subject to the provisions of the Agreement, the RPD shall be solely responsible for the manner in which its obligations under this Agreement are to be performed. All employees and representatives of the RPD or contractors engaged by the RPD in connection with the performance of the Agreement shall be under the complete control of the RPD and shall not be deemed to be employees, representatives, contractors of SECI and nothing contained in the Agreement or in any agreement or contract awarded by the RPD shall be construed to create any contractual relationship between any such employees, representatives or contractors and SECI.

17.11 *Compliance with Law*

Despite anything contained in this Agreement but without prejudice to this Article, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, or any rules and regulations made there under, such provision of this Agreement shall be deemed to be amended to the extent required to bring it into compliance with the aforesaid relevant provisions as amended from time to time.

17.12. ***Breach of Obligations***

The Parties acknowledge that a breach of any of the obligations contained herein would result in injuries. The Parties further acknowledge that the amount of the liquidated damages/ penalties or the method of calculating the liquidated damages/ penalties specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the non-defaulting party in each case specified under this Agreement.

17.13 ***Order of priority in application***

In case of inconsistencies between the agreement(s) executed between the Parties, applicable Law including rules and regulations framed thereunder, the order of priority as between them shall be the order in which they are placed below:

i. applicable Law, rules and regulations framed thereunder;

ii. the Grid Code; and

iii. the terms and conditions of this Agreement;

IN WITNESS WHEREOF the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above.

For and on behalf of	For and on behalf of
[SECI]	[RPD]
Name, Designation and Address	Name, Designation and Address
Signature with seal	Signature with seal
Witness:	Witness:
1.	1.
2.	2.

SCHEDULE 1: PERFORMANCE BANK GUARANTEE (PBG)/ INSURANCE SURETY BOND (ISB)

Format for PBG/ ISB shall be in line with the Format-7.3C/ 7.3D of the RfS.